Christian Sewing

Chief Executive Officer

Deutsche Bank AG

Annual Media Conference

Frankfurt am Main, 4 February 2021

– Check against delivery –

Ladies and Gentlemen,

Media representatives,

I too would like to welcome you to our Annual Media Conference. We are organizing it today in an extraordinary format, though it is no longer really exceptional. Video conferences are symbolic of a year that was unprecedented for all of us.

The pandemic has presented the world not only with health and social challenges, but of course also with enormous economic challenges.

And many observers warned that this was bad timing for Deutsche Bank – as we were in the middle of our fundamental transformation which already called for a huge effort. Would we also be able to cope with the pandemic, they asked.

Profitable despite transformation

As of today the answer is clear: we are ahead of our transformation plan and have achieved all of our strategic goals. And that's not all: we are profitable - with a pre-tax profit of more than 1 billion euros and a net profit of 624 million euros. And please note: we remain profitable, even after stripping out minority interests and the AT1 coupon payments .

We achieved this because this year we were able to prove we can do what we set out to achieve:

- Our business model works.
- We are disciplined on costs and in risk management.
- Our strong balance sheet enables us to support our clients even in difficult times.
- We have the flexibility to respond to exceptional circumstances.

All of this demonstrates that we not only launched the right strategy in summer 2019, but also that we have implemented it consistently. Only in this way could we grow our revenues in a turbulent environment. Of course, this is partly due to the fact that companies had a lot of financing needs and there was a lot of activity in the markets. But in particular, our new strength is focusing on what we are best at. And that we have been managing our risks carefully for years. This enabled us to expand our client business and therefore not only to offset the considerable burden of the transformation, but also the consequences of the coronavirus crisis.

So, despite the most severe economic shock in post-war history in 2020, we have not lost any of our financial strength. On the contrary: we are able to continue to support our customers in the best possible way and continue at full speed on our path towards a focused and profitable universal bank.

Three phases of our transformation

I would like to give you a brief overview of where we stand.

Our journey began in 2018. In the first phase we stabilized our bank. We further reduced costs and risks, further strengthened our capital and controls, and thus laid the foundations for the fundamental transformation which we announced in July 2019.

This marked the start of the second phase of our transformation. Our promise was clear: by focusing our new strategy on our strengths, and by further reducing costs and risks, we would pave the way for sustainable profitability. And that's exactly what we did.

From the outset, we said that the most intensive phase of this transformation would be concentrated in the first six quarters - that is, from mid-2019 to the end of 2020. After these six quarters, 85 percent of transformation-related effects are now behind us – 85 percent of the effects we anticipate for the period up to 2022.

This is why, with our Investor Deep Dive in December, we launched the third phase of our transformation - the phase of sustainable profitability. Our goal is to grow - and at the same time to remain absolutely disciplined on costs and capital.

Growing revenues

Our strategy and our rigorous implementation led to the desired results faster than we ourselves expected. This was because our clients in all business areas know what we stand for.

And because we were there for our clients in this turbulent environment - whether it was for companies that needed short term liquidity in the crisis, or for private clients that wanted to secure their assets.

As a result, we were able to increase our revenues by 4 percent, and by 6 percent in the Core Bank excluding specific items. This represents an increase of 1.4 billion euros.

There’s a lot of talk at the moment about the success of our Investment Bank. But that should not in any way diminish the performance of our Private Bank and our Corporate Bank. In a difficult environment, with historically low interest rates and the economic consequences of the pandemic, our teams have kept revenues stable and delivered in line with our plans in both areas. This is a big achievement.

James von Moltke will guide you through the development of each division in detail later.

Cost reduction on track

Of course, our cost discipline remains an important building block of our success. For three years now, we have reduced costs[1] quarter by quarter. And we have achieved our 2020 target of reducing adjusted costs to 19.5 billion euros.

In other words: Last year alone we made cost reductions of 2 billion euros. On this basis, annual adjusted costs were almost 4.5 billion euros less than they were in 2017.

This progress, this continuity, gives us great confidence that we will also achieve the ambitious cost reductions and efficiency gains that we have set ourselves for this year and next.

Transformation drives profitability

Our progress on revenues and costs have propelled us back into the black – and not only a pre-tax profit, but also a profit after tax of 624 million euros for the full year – an achievement which hardly anyone thought us capable of just a few months ago.

What is particularly important about this is that the business areas which we want to continue, and which we call our "Core Bank", generated an adjusted pre-tax profit of 4.2 billion euros, an increase of 52 percent compared with the previous year – despite significantly higher credit loss provisions in the wake of the COVID crisis. This demonstrates our bank's operating strength.

Our Capital Release Unit has also been successful. Especially thanks to significantly lower costs, the CRU posted a smaller loss than in the previous year.

We continue to invest

At the same time, we have been working over the past year to further develop our technology and strengthen our controls.

Our often criticized IT passed the acid test of the coronavirus crisis impressively. It has proven to be stable, efficient and very flexible. In a very short time, we were able to get almost the entire company working from home. This is partly because we enabled processes such as digital signatures in cooperation with our regulators and even moved parts of our trading floors to home offices.

[1] Adjusted costs excluding transformation charges and bank levies, year on year

We have also continued our major technology projects. As part of the IT integration of our retail bank in Germany, we closed the sale of its subsidiary Postbank Systems.

And our partnership with Google Cloud is a significant step forward: from now on we can use the modern, efficient infrastructure of one of the strongest technology partners worldwide – and concentrate our efforts on innovations for our clients.

Now it is time to steadily expand our digital offerings - for example, our “Autobahn” platform, which already has more than 90,000 active users among our Investment Bank and Corporate Bank clients.

It is equally important that we continue to invest in our controls. Within two years, we have spent some 2 billion euros on this.

Today our Compliance function monitors 3 million transactions and 1 million communication events every day. In market risk management we analyze up to 30 billion valuation calculations per day.

But it is also clear: we need to strengthen controls even further. In an increasingly digitized and complex world, the demands on banks are increasing by the day. We have to prepare ourselves for this.

Strong balance sheet

This makes it all the more important that capital strength is no longer an issue. Despite the costs of the pandemic and our transformation, we have maintained our CET1 ratio at 13.6 percent.

This was partly due to regulatory changes during the coronavirus crisis and the fact that certain changes to calculation models will become effective later than we expected. In addition, our Capital Release Unit was able to reduce its risk-weighted assets faster than planned - and at a lower cost than expected.

At the same time, this year we have benefited in particular from the fact that we have been managing our credit risks conservatively for years. Nonetheless, we too must expect additional credit losses in the current environment. That is why our loan loss provisions rose to 1.8 billion euros in 2020.

But even in a recession of historic proportions we have our credit risk under control as demonstrated by two facts:

- Full-year credit loss provisions remained within the guidance we gave as early as April.

- And they were also significantly lower than at many of our peers – and for solid reasons.

One important reason is that we have not softened our lending standards in years of strong economic growth. In 2021, we expect slightly lower credit loss provisions than last year and for 2022 we see further normalization.

Later on, James von Moltke will provide details on our loan portfolio.

But let me just say: I am particularly delighted that a few days ago the reputable trade portal Risk.net awarded Deutsche Bank the accolade of "Risk Manager of the Year". This is a well-deserved acknowledgement for Stuart Lewis and his team.

Part of the solution

But let's stay with 2020 for a moment. What we have seen over the past twelve months is anything but a normal textbook recession.

The sudden stop of large parts of the economy and the historic slump in GDP meant that our clients suddenly needed us urgently. And we wanted to satisfy this need.

And that's what we successfully did. We stood by our clients when economic certainties suddenly seemed to be no longer valid. We were there for them, be it with funding or with our advice.

Overall, we helped our clients to raise 1.7 trillion euros in the debt capital market last year. That's an all-time high for our bank and an increase of 43 percent over the previous year.

We have also helped to ensure that the vital support of the German government and the federal states actually reached the economy in this exceptional situation. No other bank participated as actively in the KfW funding programs, managing applications for more than 12 billion euros of loans for our clients.

And we have advised companies and private clients intensively – including on issues beyond banking. For example, we handled more than 250,000 inquiries to our Corporate Bank's Coronavirus Helpdesk, often providing advice on requests for state aid or difficult situations. For our private clients, we not only remained available in our branches - even in times of strict restrictions - but also, of course, via video and telephone.

Progress and success are never taken for granted - but in 2020, it was even less so. The combination of our transformation and the coronavirus crisis meant a huge burden – especially for our colleagues. Many of them had to work literally at the kitchen table from one day to the next - often looking after their children at the same time or worrying about their parents. This became the new normal for more than 60,000 of our employees. And a lot of them are still working from home today.

On behalf of the Management Board, I would like to thank our colleagues wholeheartedly for their incredible dedication. Your achievements have made us proud.

Client trust is growing

In light of these burdens it is particularly pleasing that our clients appreciate this commitment, and our clear strategy. Trust in our brand has not only returned, but in some areas reached record levels – both among our corporate clients and our private clients in Germany.

High employee engagement

That also has an internal impact. 79 percent of our employees support our strategy - ten percentage points more than a year earlier. Nearly 90 percent are convinced that we are handling the crisis well. And they are more loyal to our bank than they have been at any point since 2012.

Ladies and Gentlemen, here one thing reinforces the other: our colleagues see what they have achieved for their clients and feel appreciated by them - and this in turn gives us all additional motivation.

Investors acknowledge our progress

We also see a return of confidence in the financial markets. Our stock is still a long way from where we would like it to be. Our share price did, however, outperform the European industry benchmark by over 50 percent last year. And not only that: we also performed far better than all the major US banks. That was the first time this has happened in a long while.

Funding costs are decreasing

And two major credit rating agencies have a more positive outlook for our credit ratings than just a few months ago: Moody’s and Fitch explicitly referred to the progress we have made in our strategy.

Meanwhile, our funding costs, which are also reflected in the price of our credit default swaps, have declined markedly, which in turn positive impacted our business.

The prerequisite for these achievements was and is that we are implementing our strategy in a disciplined and consistent manner.

James von Moltke will now take you through last year's results in detail before I will take over again for the outlook.

James, over to you.

Focus on sustainable profitability

Ladies and Gentlemen, 18 months after the launch of our new strategy, we have achieved better results than originally planned.

So, what defines the third phase that is now underway?

- Firstly, we must remain as disciplined as we have been up to now. This applies to our adjusted costs, which we want to reduce to 16.7 billion euros excluding transformation charges by 2022. But it also applies to our controls, in which we continue to invest. And it applies to our balance sheet and our risk appetite, which we are managing conservatively.

- Secondly, we need to grow sustainably, in both meanings of the word. This means not only do we want to continue increasing our revenues, we also want to do this in an environmentally and socially responsible way.

Well positioned for key structural trends

We are aware that the macroeconomic environment remains uncertain. Yes, the vaccines give us hope that our private and professional lives may soon return to normal. And governments' stimulus programs as well as central banks' monetary policies will support the global economy. But this fundamentally more positive outlook should not disguise two facts:

- Normalization will take time.

- And the post-COVID economy will look different than before. The pandemic has accelerated the fundamental changes already underway.

So why are we optimistic about our own business?

Because all four of our business divisions are now in a strong position.

And because we see some major trends that will shape the global economy and banking in the years ahead. Digitization, climate change, aging societies and the increasing fragmentation of the global economy are making it necessary to restructure entire value chains, some of which are even being completely broken up. As a universal bank with a focused business portfolio and a global network we believe we are well equipped for these trends. We see four growth areas:

Financing demand

It begins with the growing financing needs of companies and governments worldwide. Not only in the context of the pandemic, but also to finance the transformation of the economy.

This is where our clients will rely on our Corporate Bank and Investment Bank. We are one of the world's leading providers of financing.

Whether it's our lending ability, our bond-issuance business or trading in fixed-income securities - our expertise will be particularly in demand in this environment.

In all these areas, we have just demonstrated in the past year that we are able to gain market share. And we have had a strong and promising start to the new year.

Wealth preservation

Let's look at the second trend.

In times of negative interest rates, pension provision and wealth preservation are becoming increasingly challenging. In times when there are hardly any risk-free returns left, banks with extensive advisory expertise will be particularly in demand.

It's true that we are suffering from low interest rates, but we have adapted to them. And we have the expertise in global investment advice and risk management to be a reliable partner for our clients.

Deep local presence

Our global network is also particularly important when the global economy is becoming more complex. We have a presence on the ground in some 60 countries and our global network spans 151 countries. There's hardly any other European bank that can match this.

We know the local markets, we understand the regional specificities. This is of great value as world trade is now becoming partially fragmented, making the exchange of goods and services more complicated.

And the bridge between Asia and Europe is becoming more important than ever – and especially in Asia we have one of the strongest networks of all the banks.

Sustainability

We are also very well placed for the fourth big trend - sustainability.

Thanks to our financial expertise we can create the investment products that are now in particular demand. In 2020, we laid the foundation for playing a major role here.

Our efforts and achievements show what our bank is capable of when we unite to pursue an idea. We arranged over 40 billion euros in sustainable financing and investments last year, which is more than twice as much as we had planned for 2020. By 2025, we have committed to reaching 200 billion euros – and this is without DWS, which is already on a very strong footing in the field of sustainability.

To achieve our goals, we have further strengthened our governance by creating a sustainability committee at Board level.

With our focus on these four growth areas, we aim to expand our leading positions in all four business areas.

Private Bank priorities

How will we do this? Let's start with our Private Bank. It has consolidated its position in our home market, in selected European markets and in its global Wealth Management business. One result of this is that, like our Corporate Bank, it managed to keep its revenues stable under these conditions.

In the coming years, we plan to increase our fee income further – as we did in 2020, when we recorded 16 billion euros in inflows in investment products. Furthermore, we aim to intensify the collaboration with our cooperation partners.

We also aim to continue growing our loan business: in 2020 we achieved net new client loans of 13 billion euros – a trajectory we aim to maintain.

In our international wealth management business we are already reaping the benefits of our investments and we continue to hire client advisors worldwide.

At the same time, we continue to adapt to the changing needs of our clients and are working to achieve our cost targets. We will be closing a further 100 Deutsche Bank branches in Germany, as planned, which means our nationwide branch network will be more than 40 percent smaller than in 2016. The planned closure of 100 Postbank branches too over the next two years represents a reduction of more than 30 percent.

At the same time, our mobile app is increasingly becoming the central point of contact with our customers - alongside personal interactions with our advisors. The digital world makes it possible to give customers much more individual service. In the past, people might come to a branch once a week. If you are using our mobile app, you are in contact with us almost every day. In 2020, for example, the number of users and logins for the German private banking business mobile app both jumped about 35 percent.

Corporate Bank priorities

Let’s move on to our Corporate Bank. More than any other business, with its strong pillars in the US and Asia, the Corporate Bank exemplifies our position as a “global *Hausbank*”, or “go-to” bank.

We see just as much potential in the near future for these regions as we do for, say, payments, where our business with fintechs, online retailers and digital platforms grew by 20 percent in 2020 – and that is just the beginning.

We also want to grow further with our 800,000 business clients in Germany - a segment between small businesses and the ‘Mittelstand’ that we have sometimes neglected in the past. Being the market leader, we have now established a dedicated unit which will serve business clients from across all of our brands from a single source in the future, including corresponding digital solutions.

Of course, offsetting shortfalls in revenues due to negative interest rates will continue to be crucial on the path towards achieving our revenue target of 5.5 billion euros. In the second half of 2020, however, we fared better here than many of our national and international peers.

The collaboration between our Corporate Bank and Investment Bank is improving all the time – another reason why we see so much potential for our Corporate Bank.

Investment Bank priorities

In this context, there is something I need to emphasize quite clearly: our investment banking business is not about securities trading for its own sake. It is about supporting our clients, especially corporates and sovereigns.

Our Investment Bank owes its success largely to us focusing on our strengths in Fixed Income & Currencies as well as in Origination & Advisory. Whether we give a company a loan or arrange a bond issue, what always matters is finding the best solution for the client.

We benefit more than other banks from global financing demand because we have a unique infrastructure among continental European banks that allows us to offer the full range of services.

Institutional investors greatly appreciate that – as do our corporate clients. During the past year, we have increased our revenues with our 100 most important institutional clients by more than 30 percent. In the Origination & Advisory business our market share was higher in every quarter than in the corresponding period a year earlier. And we are among the top five worldwide in the rapidly growing business of arranging green bonds[2].

That underlines the fact that our growth in 2020 was not just the result of favorable market conditions but is, to a large extent, sustainable. We intend to build on this and to further strengthen our competitive position in Origination & Advisory. At the same time we are undertaking targeted investments in our Fixed Income & Currencies business to grow more efficiently, using advanced technology. However, we will not relax our risk standards while doing so.

All in all, this means that even if the markets should largely return to normal, we consider Investment Bank revenues of 8.5 billion euros in 2022 within reach.

Asset Management priorities

Our asset manager **DWS** is benefiting considerably from global trends. With record inflows in 2020 and our strong position in the market for ESG products, we are ideally positioned to meet the growing demand for sustainable investments – especially in our strong domestic European market, but not only there. Despite the pressure on margins in the industry, we expect to be able to grow our revenues slightly by 2022. We therefore see scope for further profit increases, especially in the medium term, and for appreciable further gains in efficiency. DWS's adjusted cost income ratio was already down to 64 percent in 2020.

Four businesses with a strong position, and four responses to important global trends - that will be the basis for future growth and increased profitability.

At the same time, we will continue to maintain our cost discipline.

Further cost reductions

Of the almost 6 billion euros in cost reductions we targeted for the four years from 2019 to 2022, we have already achieved more than half.

[2] Source: Dealogic

To achieve our 2022 target, we must now cut another 2.8 billion euros in adjusted costs.

Of course, this requires further effort. Why do we think this is possible?

Because many of our cost-saving measures will take full effect from this year onward. And because we already have plans for our next steps.

This includes targeted investments which will make us more efficient from 2022 onwards.

The coronavirus crisis created potential for greater efficiency. To give just two examples: we are reviewing how much office space we need in each location. And we will certainly spend less on travel in the future than we did pre-COVID.

That is why we announced at our Investor Deep Dive in December that we want to reduce our annual adjusted costs to 16.7 billion euros excluding transformation charges by 2022.

So, just by reaching our cost targets, we can get close to our target of an 8 percent post-tax return on tangible equity. In short: it is largely in our hands.

Our Agenda

We're also confident because we're fundamentally changing the way we operate. Our results would not have been possible if we had not placed our clients further at the center of our strategy and our activities.

Of course, there is still a lot to be done, but we have already made good progress. This also applies to our leadership culture, as reflected in lots of positive feedback from employees.

Furthermore, we see progress in the use of technology that strengthens our controls and our client offering. Our partnership with Google is a paradigm shift in this regard.

We are also building on our traditionally strong risk management. Alongside managing our own balance sheet, we also manage our clients' risks. This must be - and will remain at the center of our business.

On sustainability, I have already said a lot. We now have the structure to offer financing and investments according to strict environmental, social and governance criteria.

Changing the culture in our bank will not be complete within a year or two. But when I look at the progress we have made, when I see and feel the momentum, the attitude and the dedication throughout our bank, I am optimistic.

Our 2022 targets

Ladies and Gentlemen, after the second phase of our fundamental transformation, we can be satisfied with what we have achieved - and look forward with a great deal of confidence. After six quarters of transformation, we are ahead of schedule, despite a global pandemic.

What have we achieved?

We have demonstrated our stability and resilience - with strong capital, high liquidity, and conservative risk management.

We have cut our costs - for twelve consecutive quarters.

We've demonstrated that we can grow. We have significantly increased our 2020 revenues and are confident that a substantial part of this increase will be sustainable.

A very good start to the new year has also fully reinforced our confidence in our business.

At the same time, we also achieved, on balance, better results in 2020 than many would have believed - with a pre-tax profit of more than 1 billion euros and a net profit of more than 600 million euros.

We want to build on that now. We are determined to achieve an 8 percent post-tax return on tangible equity in 2022.

And we want to do this in a sustainable way, in both meanings of the word.

This is what the next phase of our transformation is all about.

We will continue to be relentless on costs and risk management. And we're going to shift gears on the revenue side.

We stand firm in our plans to return 5 billion euros of capital to our shareholders starting from 2022.

We are confident - but we remain disciplined.

We are satisfied with the progress made. But we know we still have a lot to do.

Thank you - we look forward to your questions.