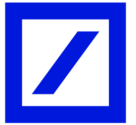

Christian Sewing

Chief Executive Officer

Deutsche Bank AG

Annual Media Conference

Frankfurt am Main, 27 January 2022

– Check against delivery –

Good morning everyone,

I too would like to welcome you to our Annual Media Conference. Unfortunately, this year we are again not able to meet here in our headquarters at Taunusanlage due to Covid, which I personally very much regret.

But moving events such as our Annual Media Conference into the virtual space is the least that we can do to contribute to pushing back the pandemic.

Our transformation strategy is on track

Covid dominates our lives, and this applies to all of us not only in our private lives but also at work.

That makes what we as a bank achieved over the past year all the more remarkable. As an employer and as a partner and service provider for our economy, we have a special responsibility. And it is important for us to live up to this responsibility.

This requires business success, which is the basis for everything we do. That is why I am particularly pleased to be able to present our bank's best results for 10 years today.

In 2021, we achieved a pretax profit of EUR 3.4 billion. Our profit after tax was EUR 2.5 billion. That is more than four times the figure from the previous year. And it is more than anyone would have believed we could achieve when we announced our strategy in July 2019.

What have we achieved so far?

- The preparation for our transformation actually began in spring 2018, when we stabilised our balance sheet and created the conditions for our comprehensive transformation.
- From mid-2019 we reorientated our bank towards our clients, we radically reduced our costs and at the same time we stabilised our revenues in a very difficult environment.
- Now we are starting to reap the fruits of our hard work and are back on a growth path.

So, at the start of the final year of the strategy we announced in 2019, we are where we wanted to be. Deutsche Bank is once again profitable and is well placed to achieve its objectives and to continue its growth course in the coming years.

Promises kept in a tough environment

The highest profit in a decade is something special, because we achieved it under very different circumstances than we did 10 years ago:

- We focused our business on our strengths and withdrew from other areas, most notably equity trading. This means that we have deliberately forgone more than EUR 2 billion in revenues.
- We are now more balanced and stand on four strong pillars, with a clear client focus.
- We keep our costs under control and are continuing to cut them.
- We have worked a lot on our IT and control systems and will continue to invest in them.
- We have a stronger balance sheet than we have seen for at least the last two decades.

We owe the fact that we are doing so well today to the huge commitment of our staff – and to a discipline in implementing our transformation that I have not seen before.

For this, all of our colleagues at Deutsche Bank deserve warm thanks. They have had to work hard in recent years, and we have asked for a lot of them. But they delivered. Together, we have consistently followed through on our strategy, despite the scepticism we saw from many quarters.

Much of the scepticism was about our business model and whether we would still be relevant enough for our clients if we had a smaller, more focused set-up in our investment bank.

Let me address one misunderstanding here: We never left the global capital markets business or announced that we would withdraw from it. All we have done is focus our offering on what we can do best and on those areas where we are a leading player. These are the areas where we can add the most value for our clients.

The focus on our strengths over the past two and a half years is the ground upon which we could resume growth. And this is true not only for our capital markets business, but for all four of our bank's businesses.

It is often said that we are still too dependent on our Investment Bank. I don't see it that way. While we want to continue to grow in capital markets, we also see excellent growth opportunities for our Private Bank, our Corporate Bank and Asset Management, and we took advantage of them last year already. I'll talk more about that later.

So we will continue to invest in our strengths: in our business, in modern platforms and in even more efficient control systems. Because all of this will be decisive for our success with our clients.

In short: since 2018, and especially since mid-2019, we have delivered what only few have expected. We have kept our promises, putting ourselves in a very strong position to continue to grow profitably in the long term.

2021: Very successful year despite transformation

This was evidenced by the 2020 and 2021 pandemic years. In a negative environment, we managed to generate positive momentum. When our clients needed us very much, we were there for them. We put our expertise in products and solutions, our risk management know-how and our global network at their service.

And our clients are repaying us by placing their trust in us and counting on us as partners. They are doing more business with us, as can be seen from the significantly higher revenues of EUR 25.4 billion last year. This is an important confirmation for us. It is a key driver of our pre-tax profit of EUR 3.4 billion. And it gives us room for manoeuvre.

We used this room for manoeuvre for some additional investments in 2021. I'll come back to that in a minute. Above all, we used it to accelerate our transformation once again.

This now enables us to concentrate fully on our business in the crucial year of our transformation. That is why we are so confident that we can achieve our goals for the current fiscal year – above all, a return on tangible equity of 8 percent after tax.

We are already delivering – or at least starting to deliver – on a promise that is very dear to us in the Management Board. We intend to resume distributing a significant amount of capital to our shareholders this year – through dividends and through share buybacks. In total, this first step amounts to around EUR 700 million. We plan to propose a dividend of 20 cents per share to the Annual General Meeting in May. In addition, we decided yesterday in the Management Board on EUR 300 million in share buybacks.

We are determined to increase the distribution to our owners in the coming years. Many shareholders have stayed loyal to us even in the toughest times. Now is the time to repay their trust.

Revenues higher than expected

Let me now turn to the most important figures from last year. I would like start with our revenues. Our plans for 2022 originally foresaw revenues of EUR 24.4 billion. We already surpassed this target clearly in 2021, with revenues rising by 6 percent to EUR 25.4 billion, or EUR 25.3 billion when adjusted for specific items.

This means we are achieving higher revenues today than in 2018 – even though we have withdrawn from business areas since then.

It is particularly gratifying that the recovery is based on good and very broad foundations. In 2021, we increased revenues in all four divisions. This is being sustained by high growth in new business, i.e. net inflows into investment products, higher deposits, growing loan volumes and, above all, gains in market share. I will return to the successes of the individual business units in more detail in a moment.

Costs cut consistently

But revenue growth does not come for free. Higher volumes also cost us more money, which is why we deliberately took a step down in the pace of cost reduction in 2021. Adjusted costs have fallen further, but more slowly than in previous years. The same is true for our cost-income ratio.

This is partly due to higher volume related costs, such as increased service fees for higher assets under management. But it is also very much due to additional expenses that will make us stronger in the future.

Firstly, we have earmarked more money for the variable compensation of our employees.

I know that this decision will again provoke headlines. But we have always said that we want to pay competitively.

We are very concerned about the increasingly intense war for talent and the wage developments in our industry. But it is also clear that we cannot and do not want to avoid this competition, because we too want to have and keep the best talent in our bank.

A second area where our costs have been higher is anti-money laundering. We are investing in our systems because effective controls are the basis for our business. We have learned from our mistakes here and are doing everything to meet the requirements. And investment in the fight against financial crime is essential here.

Thirdly, we also spent more on IT than our plan envisaged. We enabled our businesses to invest more in technology over the past year – and this decision is consistent with our strategic goals.

Our determination to reduce costs further has not changed. On the contrary: As early as the first quarter, we expect adjusted costs[1] to decline by around EUR 450 million compared to the fourth quarter of 2021.

And recent investment in IT and controls is helping us to reduce spending permanently and become even more powerful and profitable. For example, our Technology, Data and Innovation function has already reduced annual costs by EUR 100 million by modernising technology, switching off old components, and initiating our move to the cloud. And these savings are going to increase steadily.

High profit growth in the Core Bank

A look at our Core Bank demonstrates how strong our operating business already is today. This consists of those areas in which we will continue doing business. In 2021, we again

[1] Adjusted costs ex transformation charges and bank levies

increased our profits here. Adjusted for transformation costs and special effects, a pre-tax profit of EUR 6 billion was equivalent to a return on tangible equity of 8.5 percent.

James von Moltke will explain the composition of our profits in a moment, as well as more detail on the development of our Capital Release Unit. But let me highlight one thing on the latter. The costs and the loss of this unit have again fallen sharply. And, in terms of risk reduction, we are already above the targets for the end of 2022.

It's not least because of this that we are able to distribute capital to our shareholders this year.

Balance sheet strong throughout transformation

Yet in 2019, there were considerable doubts if we would be able to manage our transformation without another injection of capital.

This question has not been asked for a long time. Indeed, our Common Equity Tier 1 (CET 1) capital ratio has remained above our minimum level of at least 12.5 percent throughout our entire transformation. Despite the Covid pandemic and despite additional regulatory requirements, our CET 1 ratio stood at very robust 13.2 percent at the end of 2021.

Disciplined risk management

This is also because we are managing our risks so consistently and prudently – and have been doing so throughout the Covid pandemic.

At around EUR 500 million – equivalent to 12 basis points of average loans – our provision for credit losses was even at the bottom end of our forecasts. We owe this to the better economic environment and the first-class work of our risk management function.

Corporate Bank grows business volume

I started by talking about our client business, where we have had many successes across all divisions.

Allow me to give you a few examples from the four areas:

I'd like to start with the Corporate Bank, which has driven forward many growth initiatives, for example in payments. The joint venture which we entered into with the American payment company Fiserv is one of the most prominent projects here.

In 2021, the Corporate Bank's loan book grew by EUR 8 billion, and it also raised EUR 18 billion in net deposits. At the same time, in light of negative interest rates, we are charging fees on a greater proportion of deposits, which brought us a total of around EUR 360 million in revenues in 2021.

Our growth initiatives, price agreements with our clients and the high level of new business will have an increasing effect from this year onwards, when the negative effects of low interest rates will cease. The strong final quarter of 2021 has already given a foretaste of this.

Investment Bank steadily gains market share

At our Investment Bank, the Origination & Advisory business had a great year. This is a continuation of our growth trajectory in this segment: Over the last eight quarters, revenues have consistently been up year on year.

Our development in our German home market is particularly pleasing, where we regained the leading position in O&A in 2021[2]. But we were also ahead in other areas, such as Investment Grade Debt in Europe, the Middle East and Africa where we were the No. 1 issuer in Q4[2].

As we all know, the market environment in the fixed-income and currencies markets weakened towards the end of the year. That is what our US competitors' figures have shown, and we were also not able to avoid that slowdown.

But this does not alter the fact that we further improved our position in this core business. We were the No. 1 market maker in European government bonds in Q4 on the main electronic trading platform[3]. Overall, we were able to expand our market share in the fixed-income and currencies business in the first nine months of the year[4] and we are optimistic that this trend will bear out for the full year.

Private Bank increases fee income

Let's go to the Private Bank. What our teams here have captured in new business is really impressive. Net new business in the Private Bank Germany and the International Private Bank, which includes our Wealth Management, combined added up to EUR 45 billion.

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[2] Source: Dealogic
[3] Source: Tradeweb
[4] Source: Coalition

This exceeded the target we had set ourselves for the Private Bank for 2021 by more than half.

Our clients added EUR 23 billion into investment products, lending grew by EUR 15 billion, and deposits by EUR 7 billion.

As a result, the Private Bank grew its Commission and Fee Income significantly for the second consecutive year.

At the same time, we reduced our cost base by closing almost 180 Deutsche Bank and Postbank branches while expanding our digital and mobile distribution channels. We are convinced that this transformation is also in the interests of our clients, as digital channels are becoming more and more important to them.

Asset Management delivers record results

This leaves us with the asset management business, which de facto is a majority shareholding in DWS.

DWS announced two weeks ago that it had a very good fourth quarter. And the nine months before had already been very successful.

We are delighted to see how our asset management business is advancing its growth initiatives – and how this is paying off in client business. Last year, net inflows in DWS funds amounted to almost EUR 50 billion. Because these funds also developed very well on average, assets under management rose by 17 percent to a record of EUR 928 billion. That is an outstanding achievement.

This was all achieved even though it certainly was not an easy year for DWS in other respects. In particular, the green-washing allegations of a former employee have attracted a lot of attention. Of course we are looking into this. So far, the allegations have not been substantiated. If and when there are indications of possible misconduct, we will of course look into it.

On another positive note, our clients continue to place great trust in both DWS and its sustainability-linked products in particular. Of every 100 euros that were invested in DWS funds in 2021, 40 euros went into products that take into account environment, social and corporate governance issues – better known as ESG.

Sustainability moves to the heart of our bank

Sustainability is not just a theme at DWS, but of increasing importance in all our divisions. I think 2021 was a key year in that regard. The G20 summit and the UN Climate Conference may not have delivered the results that many had hoped for.

But in discussions with our clients I feel how much greater awareness there is for the huge challenge we face in the transformation to a sustainable and low-carbon economy. Almost all clients today raise this issue themselves.

We are well placed to advise them on ESG, because we have made enormous progress here since we defined sustainability as a management priority in summer 2019. Meanwhile, virtually all areas of our bank are integrated into our sustainability offensive; we have a clear governance structure; and our remuneration for the Management Board is also linked to our ESG objectives.

We reap what we sow. And the harvest is much larger than we thought in May 2020, when we first announced targets for Sustainable Finance and investments.

Since then, we have arranged EUR 157 billion in ESG loans, bonds and investments. We have already exceeded our target for the end of 2022 and we are confident that we will reach our target of at least EUR 200 billion this year. That is the target that we first set ourselves for 2025 and then moved forward to 2023 at our Sustainability Deep Dive in May last year.

We will tell you how we will proceed during our Investor Deep Dive on March 10. But the positive momentum in the field of sustainability is underlined by two more facts:

- In the fourth quarter of last year alone, three major rating agencies – S&P, Sustainalytics and CDP – upgraded our ESG ratings.
- And we more than doubled our global market share for ESG financing from 2019 to 2021 to 4.6 percent.[2]

Reinforcing the uptrend

You all know how turbulent the years between 2016 and 2018 were for our bank. Back then, we seemed to have entered a downward spiral.

We've changed direction over the last three years. We are now in a "virtuous cycle", as our CFO James von Moltke likes to say. By focusing on what we do best, while being

disciplined in terms of costs, we have momentum that is generating a lot of positive energy.

The downward spiral turned into an upward spiral. We are making progress at all levels – and the positive effects are mutually reinforcing.

Let me elaborate on this:

Growing engagement and trust

Although we had to cut many jobs over the past two years, our employees worldwide are more committed than they have been for many years. Particularly during the pandemic, we have moved closer together – at least metaphorically.

What you can't see on this slide, by the way, is the incredible support for our transformation. With an approval rate for our strategy of 78 percent among our employees, we achieved a very pleasing figure here in 2021.

This identification with the path of our bank and the positive attitude of our employees is also paying off in the conversations they have with our clients. We have always said that client focus comes above everything else for us, and that we want to put our clients at the centre of what we do – in our business areas as well as in our infrastructure and control units.

That is exactly what we have done in recent years – and we have received lots of positive feedback on this.

But nothing has shaped client loyalty as much as the Covid crisis. Together with our clients – and especially our Corporate clients – we have developed solutions during this time that have allowed them to stabilise their business or even secure their existence.

The surge in trust in the B2B segment[5] in Germany is recognition of our commitment and perhaps the greatest compliment that there could be for our Corporate Bank.

And we are starting to see their positive feedback also positively impacting our financial results.

[5] Source: Deutsche Bank B2B Brand Status, October 2021

Improved brand perception

It certainly helps our business that the reputation and brand perception of our bank are also gradually recovering. In Europe, we are second in terms of brand perception, just shy of Santander.[5] And, of course, we are working to return to the No. 1 position. Worldwide, we have already made a big leap forward, leaving all other continental European banks behind.[5]

This shows that we live up to our claim to be the *Global Hausbank*. And we can do a lot more from this position. Because a global network and an intimate knowledge of individual markets is becoming an increasingly important competitive advantage at a time when local issues are becoming more and more important.

Upgrades from leading credit rating agencies

The brand status that you just saw in the chart was actually based on a survey from July 21 to August 5 last year. This means that a couple of last years' very important milestones were not even taken into account in the assessment. On August 4, the rating agency Moody's upgraded its credit rating for our bank from "A3" to "A2". It was the first ratings increase since 2007 which was based on progress in our business and not purely technical factors.

And it wasn't the only one last year. Fitch followed Moody's at the end of September and in November S&P also upgraded its ratings for our bank. There have never been three ratings upgrades for Deutsche Bank in a year. And we are now at an "A" level at all three leading agencies, when you look at the ratings which are relevant for clients.

Nowhere is the upward spiral that I have talked about more apparent than here. The better ratings put us back on the map of some asset managers for whom we have not been a business partner in a while. Others are now allowed to do more business with us due to their internal policies. Thus, the ratings upgrades have an immediate positive effect on our business volumes.

Investors recognise our progress

They also make our bonds more attractive. Investors' demand for our securities has soared. Last year, our issuances in total were oversubscribed about 2.5 times.

This in turn translates into lower refinancing costs. The risk premium that we pay on the market for our bonds has already fallen by more than half over the last two years. And it

continues to fall. For this year's first so-called Tier 2 bonds in early January, we had to pay the lowest premium in more than a decade. If we were considered one of the most risky debtors among the world's leading banks for years, we are now in a solid middle ground, measured by risk premiums. This is saving us significant amounts of money.

And not only in the bond market, but also in stock markets, the progress we are making in our transformation is becoming apparent.

Since the strategy was announced in July 2019, our share price has clearly outperformed the banking indices in the U.S. and Europe.

And since the cyclical low following the Covid market shock in March 2020, our shares have more than doubled in value.

A solid platform for 2022

Please allow me to summarise once again what our bank achieved in 2021:

- Our investments and discipline over the past years are bearing fruit and will make us even stronger in 2022.
- We created a very positive momentum in all business areas by working closely with our clients and supporting them as partners in a difficult environment. This is resulting in higher revenues and a sharp rise in client confidence.
- We used the additional scope to invest in growth. At the same time, we remain highly disciplined on the cost side – and will continue to be so.
- Finally, in 2021, we maintained our robust capital and risk position at all times.

This has put our bank in an excellent position for 2022, the decisive year of our transformation.

And the start of the first quarter reinforces my confidence that we can make use of this position. The first few weeks have gone very well, and the calendars of our client-facing staff are fully booked.

That is the positive momentum that I have just described. We will use this momentum:

- to keep our promises in 2022,
- to lay the foundations for further growth beyond 2022,
- and to repay more and more the trust of our shareholders, as we promised.

With this I will hand over to James von Moltke, who will explain our figures to you in detail.