



# International Private Bank (IPB)

#PositiveImpact

Claudio de Sanctis

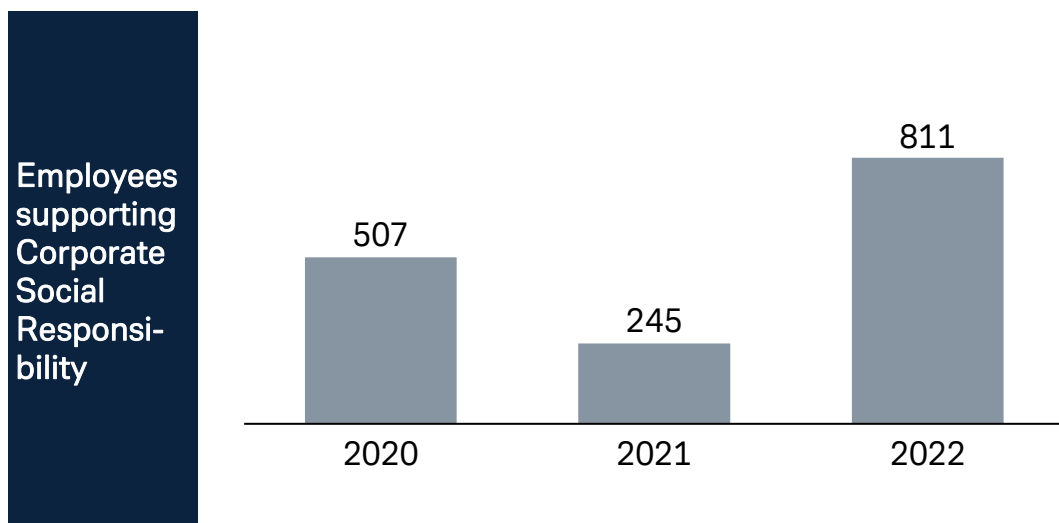
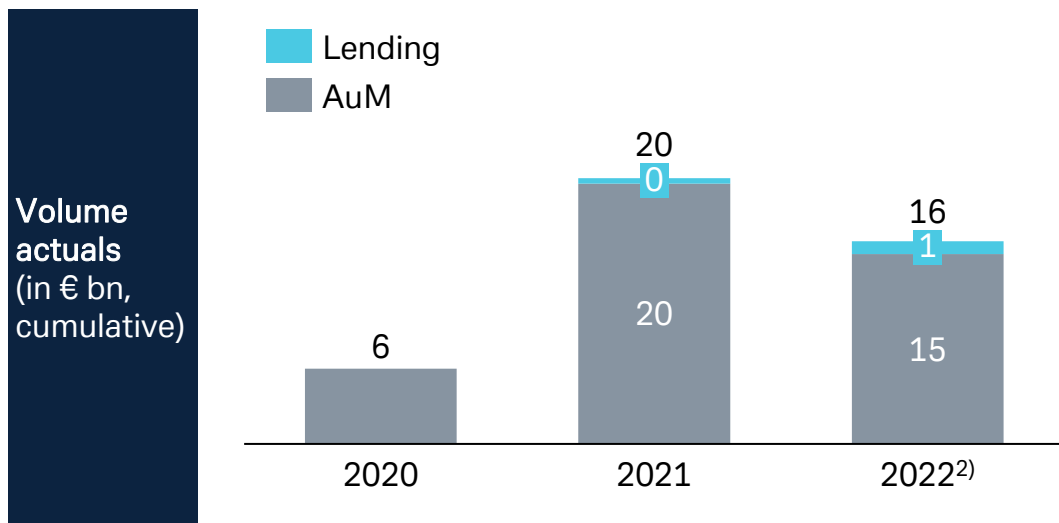
Head of International Private Bank

March 2, 2023

# Achievements since last Sustainability Deep Dive



## Sustainable finance volumes (2020 – 2022)<sup>1)</sup>



## Progress made

- **ESG volumes** since 2020 with Compound Annual Growth Rate of >60%, despite negative impact including MiFID<sup>3)</sup> asset reclassification in 2022 and sale of DB Financial Advisors
- Set-up of a **new Sustainable Solutions organization** at IPB and appointment of Chief Investment Officer ESG for the Private Bank
- **Strong progress** on our **ESG transformation** (see next page):

- A Thought leadership, partnerships and training:** Advancement of subject matter expertise incl. key partnerships and roll-out of ESG trainings for employees
- B Products and capabilities:** Expansion of our value proposition for our clients, incl. flagship ESG Strategic Asset Allocation (SAA) and at least one ESG product per product category
- C Corporate Social Responsibility (CSR) and philanthropy:** Acting as we think by engaging on corporate social responsibility and philanthropic activities

1) Cumulative figures include 2020-2022, sustainable financing and investment activities as defined in DB's Sustainable Finance Framework and related documents, which are published on our website

2) Negative volume impact incl. MiFID asset reclassification in 2022 and sale of DB Financial Advisors 3) Markets in Financial Instruments Directive

# Key business highlights on our transformation



	<b>A</b> Thought leadership, partnerships and training	<b>B</b> Products and capabilities	<b>C</b> CSR and philanthropy
<b>Objective</b>	Driving thought leadership as foundation for our ESG proposition and subject matter expertise of our teams	Providing ESG offerings across all product areas to our IPB clients globally	Acting as we think and aiming for actively having a positive contribution on our planet
<b>Selected examples</b>	<ul style="list-style-type: none"> <li>■ Award-winning <b>CIO thought leadership</b><sup>1)</sup> with 20 dedicated ESG publications and 250+ ESG-focused events and thought leadership activities since last SDD</li> <li>■ Roll-out of <b>ESG trainings</b> to all &gt;7,000 IPB staff and <b>ESG certifications</b><sup>2)</sup> for the majority of product experts</li> <li>■ <b>Partnership with ORRAA</b><sup>3)</sup> to channel funds into the sustainable blue economy</li> </ul>	<ul style="list-style-type: none"> <li>■ Launched an ESG offering for <b>each product category</b><sup>4)</sup></li> <li>■ Built ESG criteria into DB ESG Strategic Asset Allocation (SAA) as <b>new ESG core offering</b></li> <li>■ <b>Provided € 1bn in lending</b>, e.g. for real estate improvements and ESG mortgages to support our clients' ESG transformation</li> <li>■ Developed <b>offerings on focus topics</b> incl. <b>energy transition</b> or the <b>sustainable blue economy</b> with leading asset managers</li> <li>■ <b>Designed ESG reporting solutions</b> for our clients, for ongoing implementation and adaptation to the evolving ESG frameworks</li> </ul>	<ul style="list-style-type: none"> <li>■ Launched <b>DB Ocean Resilience Philanthropy Fund</b> for clients and employees to facilitate donations in support of ocean conservation<sup>5)</sup></li> <li>■ Enabled <b>donating shares of product margins for charitable purposes</b>, incl. ESG DPM solutions in Italy<sup>6)</sup> and Green Bonds in Belgium<sup>7)</sup></li> <li>■ IPB conducted its <b>first business-wide, global CSR</b><sup>8)</sup> initiative, partnering with established NGO River Cleanup to clean waste from riverbanks in six cities, collecting almost two tons of waste in total</li> </ul>

1) Incl. Asiamoney Best for Investment Research 2022, Global CIO ESG among the 10 Thought Leaders of #Nature & #Biodiversity, Best CIO Office – Asian Private Banker 2) EFFAS Certified ESG Analyst (CESGA), External Certification 3) Ocean Risk and Resilience Action Alliance 4) Investing, Lending, Daily Banking, Insurance 5) [Grant Advisory Council Members | Deutsche Wealth Management](#) 6) Donations to Fondazione Deutsche Bank Italy and the Deutsche Bank Ocean Resilience Philanthropy Fund 7) Donations to local non-profit organizations such as River Cleanup and Farming for Climate 8) Corporate Social Responsibility

# IPB's sustainability strategy at a glance



## Relevant recent market developments

- **Global ESG assets** are expected to **grow at 7% per year** between 2022-2025<sup>1)</sup>
- **78% of our surveyed investors** agreed that their **investments should "have a positive impact on the world"** (vs. 75% in previous year)<sup>2)</sup>
- **Investors are asking for guidance** on ESG topics<sup>3)</sup>, which is why **thought leadership** continues to be a critical factor of our ESG value proposition
- **ESG integration** as the **most common sustainable investment strategy**, yet thematic and impact screening are gaining relevance for clients<sup>4)</sup>
- **Increasing regulatory focus** to shift gears on ESG towards "must have" by defining sustainability classifications and addressing "greenwashing" risks

## Strategic response



### ESG investment philosophy

Provide our clients with an ESG value proposition based on the **content-driven foundation** of our CIO ESG view and CIO Nature Framework



### Products and services

Provide a strong suite of **ESG investment products** to clients across all of IPB's strategic target segments, including new innovative impact Alternatives solutions



### Platform and capabilities

Advance our platforms with **technological capabilities** and **strong data foundations** to provide high level of transparency; continue training and education to deliver a compelling **end-to-end ESG experience** to our clients

1) Bloomberg 2) CIO PB ESG Survey 2022: [ESG Survey 2022 Report | Wealth Management \(deutschewealth.com\)](#) 3) 2021: IPB CIO Special – Biodiversity loss: recognizing economic and climate threats – Survey of investors attitudes to ESG 4) Capital Group: ESG Global Study 2022

# Planned measures substantiating our growth ambition



## Strategic response

## Planned measures 2023-25

### 1 ESG investment philosophy

- Further build out **ESG thought leadership** with focus on ocean and biodiversity, including joint research with ORRAA amongst others on cities in ocean stress and blue value chains
- Expand the newly developed **CIO Nature Framework**, which assesses investment opportunities based on its materiality to nature, spanning across ocean, land and atmosphere as baseline for our product and service offering
- Drive **engagement** across our network of clients and stakeholders with events, leveraging partnership with ORRAA to jointly advocate for the blue economy at events such as COP28<sup>1)</sup>

### 2 Products and services

- **ESG managed solutions<sup>2)</sup>**: Continue expansion of ESG Discretionary Portfolio Management (DPM) offering with the ambition of acquiring more than 25% of our DPM net new assets this year as ESG; ambition to grow ESG assets in Funds by >40% until 2025
- **Alternative impact products**: Launch three ESG private markets solutions in 2023 and design a nature based private markets solution for launch in 2024
- **ESG Capital Markets offering**: Expand ESG Structured Notes offering from 2023
- **ESG Lending**: Generate €1bn new ESG lending volumes per year including with expanded real estate lending and ESG-linked lending

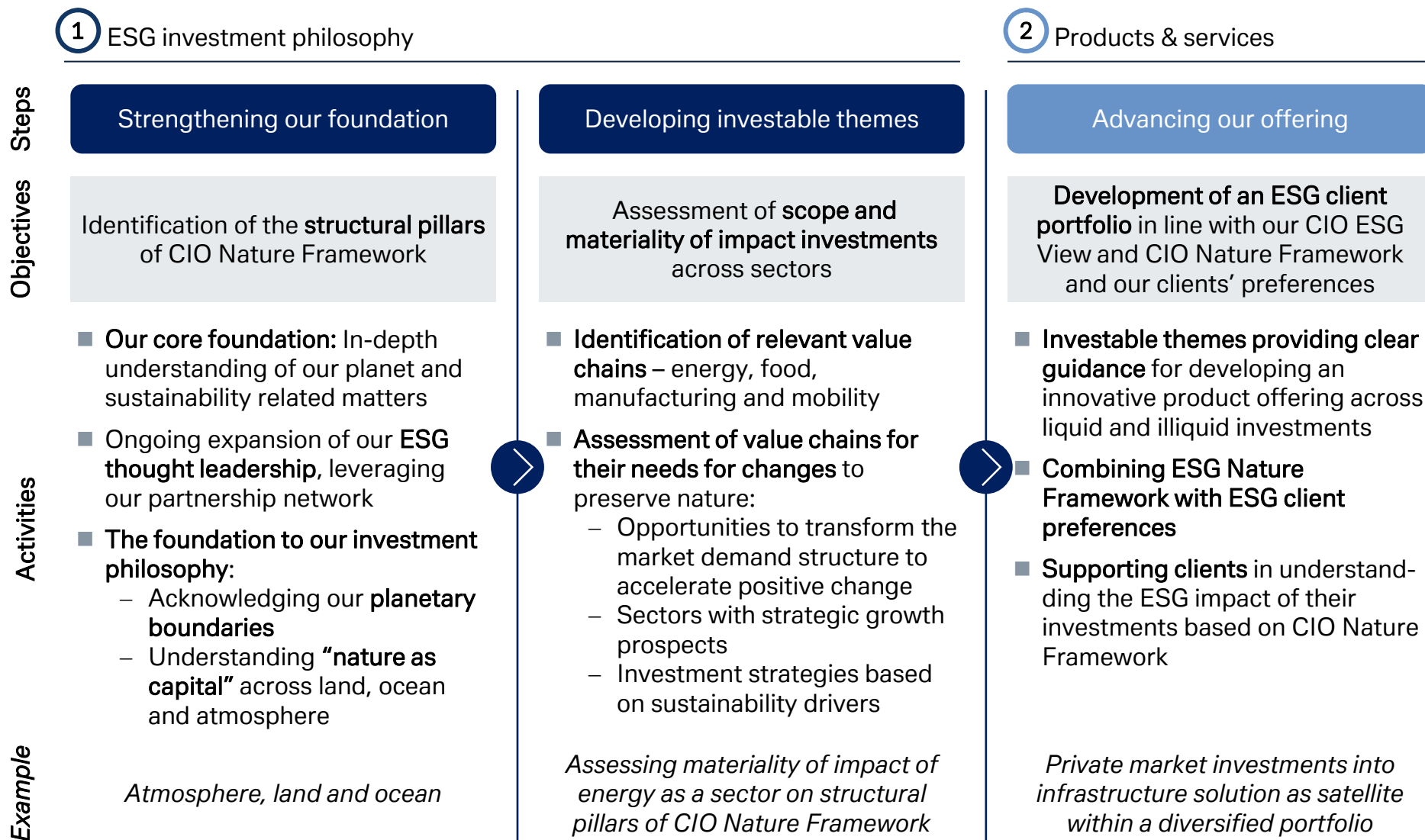
### 3 Platform and capabilities

- Further enhancing **ESG assessment capabilities and data** as an integral part of our portfolio platforms to deliver transparency to our clients, portfolio managers and advisors
- Enabling advisors to deliver our ESG value proposition to our clients with **training and education** on investment process and philosophy as well as product selection through global deployment of ESG-focused engagement

1) 28<sup>th</sup> session of the Conference of Parties website

2) Sustainable financing and investment activities as defined in DB's Sustainable Finance Framework and related documents, which are published on our website

# Translating ESG views into an investment offering



# Key takeaways



- Aiming to be an agent of positive change
- Leading ESG efforts from thought leadership and CIO ESG Views
- Providing solutions in line with our CIO Nature Framework across liquid and illiquid investments
- Support our clients' sustainability transition with ESG financing solutions

# Speaker biography – Claudio de Sanctis



Claudio de Sanctis is a Member of Deutsche Bank’s Group Management Committee, CEO of EMEA and Head of the International Private Bank (IPB).

De Sanctis became Head of the IPB on its creation in June 2020. He had previously been Global Head of Deutsche Bank Wealth Management since November 2019 after joining the bank in December 2018 as Head of Deutsche Bank Wealth Management Europe. Based in Zurich, he was also the Chief Executive Officer of Deutsche Bank (Switzerland) Ltd during most of his time heading Europe.

He was previously Head of Private Banking, Europe, at Credit Suisse, which he joined in 2013 as Market Area Head Southeast Asia for Private Banking, Asia Pacific. Before then, he spent seven years at UBS Wealth Management Europe, most recently as Market Head Iberia and Nordics.

Earlier in his career he was Head of Key Clients Unit Europe at Private Banking in Barclays focusing on UHNW clients and also worked at Merrill Lynch Private Wealth Management EMEA.

De Sanctis earned a BA degree in philosophy at La Sapienza University of Rome.



# Disclaimer



There are currently no uniform criteria nor a common market standard for the assessment and classification of financial services and financial products as sustainable or green. This can lead to different parties assessing the sustainability of financial services and financial products differently. In addition, there are various new regulations on ESG (environment, social, and corporate governance) and sustainable finance, which need to be substantiated, and further draft legislation is currently being developed, which may lead to financial services and financial products currently classified as sustainable or green not meeting future legal requirements for qualification as sustainable. Harmonized standards and calculation methods are expected to be developed and will also improve data quality.

The transition to a sustainable economy is a long-term undertaking. In its current stage, we are confronted with the limited availability of reliable data, esp. climate related data. It is inevitable to use estimates and models until improved data will become available. Our expectations on the increase of data quality are based on reporting obligations as currently developed. New regulations on reporting will likely become effective in the coming years.

This presentation includes metrics that are subject to measurement uncertainties resulting from limitations inherent in the underlying data and methods used for determining such metrics. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth herein is expressed as of end of December 2022 and we reserve the right to update its measurement techniques and methodologies in the future.

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