Deutsche Bank AG

Investor Deep Dive

Deutsche Bank´s strategic evolution to 2025

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Transcript

Speakers:
Christian Sewing, Chief Executive Officer

CHRISTIAN SEWING

Slide 2 – Differentiated strategy to deliver sustainable growth

- Welcome to the second part which will be about our strategy for the years to come
- James and I have described how our management team stabilised our bank, how we right sized and transformed it, how we invested heavily to modernise our platforms to enable growth, and how we made our bank resilient
- In other words: We have found our balance. We know that we have a strategy that brings the strengths of all 4 businesses to our clients – with firm roots in Germany and a strong presence in Europe, Asia, and the Americas
- And we demonstrated in 2020 and 2021 that we are growing and taking market share
- The resilience, the positive momentum and the support from our clients put us in a good position as we enter the next phase for Deutsche Bank – a phase that will be focused on growth and efficiency, and on self-funding our investments. A phase where we expect key global, economic, and societal themes to play to our strengths
- We are on a long-term journey to drive shareholder value. Phase 1 is complete. So, it's time to talk about our plans for the next 3 years and our ambition for the longer term
- That's what I will do in the next 45 minutes

Slide 3 – Driving solutions for our clients and value creation for shareholders

- We showed you our virtuous circle earlier, and I am confident that we can continue along – and reinforce this circle in coming years
- Having built a strong foundation, our focus is on supporting our clients. For us, that means primarily helping them to get through the current crisis
- In the long-term, however, the aim is of course to grow together with them
- And in our view, the outlook is good. Given the overall prospects for the industry, external consultants and markets experts estimate that the expected revenue growth for a bank with our business mix would be just under 3% annually

- We believe the strength of what we have to offer alongside our clients' changing needs gives us a unique opportunity to grow faster than the market
- We believe our clients want a bank that can be there and deliver results for them in a complex world
- We are determined to be this bank and take advantage of these opportunities, while at the same time maintaining our strict cost discipline to further increase efficiency
- In fact, we have already secured 2.7 billion euros in transformation costs, CRU costs and other non-recurring effects which will fall away compared to 2021
- This combination can drive significant operating leverage. Consequently, increased profitability would enable us to build up capital
- We aim to organically generate tangible equity of over 20 billion euros by 2025
- We plan to distribute roughly 8 billion to our shareholders – and reinvest the balance into those areas where we expect it to deliver value accretive growth – particular in our stable businesses
- By deploying capital to our business, we expect to have the capacity to become a 30-billion-euro-revenue bank and lift our return on tangible equity to more than 10% – and thus exceed our cost of capital for the first time in years
- When we invest in our business, we want to do this in a targeted manner and with a long-term view
- This is because we now already have the third phase of our strategy beyond 2025 in mind. And we need to be prepared for developments in our industry up to the end of the decade, including European banking consolidation and digital transformation
- Again, we look forward to these long-term developments with confidence because we have both a strong foundation and the goal of becoming a Global Hausbank, the Global Hausbank of choice

<u>Slide 4 – Building on our heritage</u>

- This mission has been in our DNA since our very first days back in 1870, when we started to accompany German companies abroad
- Today, we serve corporates, sovereigns, institutions, retail clients and high net worth individuals around the world

- And it is our aspiration to be their Global Hausbank. We've already been moving in this direction over the past 2 years. Now we want to live it to the full
- As the world becomes increasingly complex, our clients want an integrated bank as their first point of contact in all financial matters:
- A bank that understands their needs, building on a long-term and holistic partnership
- A bank that offers a global network and first-class local expertise with on-the-ground presence in almost 60 countries world-wide
- A bank that can advise them, help them manage risks and has a strong balance sheet to enable financing
- A bank that works in an agile manner, cross-divisionally and is client centric
- A bank that has a sophisticated product suite and first-class digital platforms
- Deutsche Bank wants to be exactly that. Being our clients' Hausbank is our mission – and this mission energises our people and makes them feel proud

<u>Slide 5 – Anchored in one of the strongest economies globally</u>

- Despite the current uncertainties and possible repercussions on the economy we believe that the long-term fundamentals of Germany and our leading position in our home market are a clear advantage
- Germany has great strengths:
- It has the world's fourth-highest GDP and an excellent position in markets across the globe
- It is Europe's most stable major economy with comparatively low levels of debt and credit default rates
- And above all, Germany has many world leading companies that displayed great resilience in times of global uncertainties
- Such an economy needs a bank that is just as global and as strong as its corporates
- A domestic bank with a global mindset and franchise that can support corporate Germany globally – but also act as an intermediary for foreign companies and investors, attached and attracted by our country's economic strength

- Our clients want an alternative to US banks, not only in Germany and Europe, but also in the Americas and Asia
- Certainly, the war in Ukraine and the sanctions against Russia are very likely to affect German companies. Yes, there will be adjustments
- But Russia accounts for only 2.3% of German exports. And as just described, German companies and the government have the best prerequisites for overcoming crises
- With our position we stand ready to support them in these volatile times, with financing, risk management and investments
- Over the past 3 years we have strengthened our position among German corporates significantly, reinforced by establishing our Corporate Bank in 2019
- And we are determined to further increase our market share in a growing market
- But we are not only strong in the corporate sector. As biggest Private Bank in Germany with a leading advisory and investment offering, we have a unique position to leverage Germany's strengths
- And we can provide savers with a global view of investment opportunities
- We see ourselves as a strong partner to the German government and public sector when it is needed. We demonstrated this during the Covid crisis, and we are determined to do so again in these uncertain times

<u>Slide 6 – Key themes of this decade playing to our strengths</u>

- We believe that positioning ourselves as our clients' first call bank is our way to get there in time and with historic shifts. Market shares and wealth are expected to be redistributed globally
- We expect 3 key drivers to shape the coming decade:
- Firstly, changes in the macroeconomic environment will materially impact corporates, investors, and also public finances. This needs active management
- Secondly, the climate crisis is forcing all of us to transform to a sustainable economy – which implies huge investment and financing needs

- And finally, rapid technological progress in all areas presents opportunities, but also poses big challenges to our clients. We need to navigate this
- We have the advisory capacity and product expertise in all 4 businesses to find answers to these major trends for our clients. And importantly we are seeing the benefit of cross-business collaboration increasing
- That should help us to gain market share and grow stronger than the overall industry

Slide 7 – We help our clients navigate a volatile world

- Let me take a closer look at each of these 3 themes and how we as Deutsche Bank can support our clients
- As we have all seen in the past few weeks, geopolitics become more and more important, and – apart from the tragic human toll – this will undoubtedly have an influence on monetary policy, inflation, and trade flows
- We must expect that uncertainty and volatility will remain high, not only due to the geopolitical situation but also as the unprecedented phase of fiscal and monetary expansion comes to an end – and as governments face less scope for action given their high debt levels
- As a result, we see private debt and financing gaining in importance – either via the capital market or via banks. With our balance sheet strength and yes, the best capital market access in Europe, we can provide both
- At the same time, we observe globalisation faltering, and we are witnessing a regionalisation and fragmentation of global supply chains
- A solution requires tailored advice on the ground which only banks like us can provide globally
- And finally, the reversal of population growth is predicted to accelerate significantly in coming decades – with consequences for already strained labour markets, pension systems and wealth distribution
- We believe all this should result in significant growth potential for us, considering:
- We can integrate our first-class risk management increasingly into our client dialogue

- We plan to further strengthen our advisory propositions across businesses to help clients secure their competitive positions, protect assets, and build wealth
- We intend to expand lending and financing capacities needed to offset the negative impact of disruptive markets
- And we aim to continue investing in our global network to be there for our clients wherever value is being created – in particular in our growth regions like Asia
- And we are driving this across and with the help of all 4 businesses, truly demonstrating our Global Hausbank capabilities

Slide 8 – Accelerating our clients' sustainability transition

- We also consider ourselves well positioned for the global economy's shift towards sustainability and net zero. This is one of the biggest challenges of our times for governments, corporates, and banks
- While the repercussions of the Russian invasion of Ukraine will have significant consequences on the energy markets, we nonetheless are deeply convinced that this generational trend is irreversible
- In our view, being a Germany-based bank is here an advantage:
- The German government is among the most ambitious in accelerating the transition
- German corporations have the technologies that will enable the green transformation
- We are the ones standing ready to finance it
- And we have the ambition to emerge as one of the winners in the industry, given our position in ESG:
- We have embarked on the path of sustainability for our whole bank – and I personally chair our Sustainability Committee where we take the decisions to achieve our strategic goals
- We have a comprehensive ESG product and service offering, ranging from ESG-linked bonds and loans to derivative products and specialised project financing
- We can export this credibility globally. The extensive ESG expertise across our business and infrastructure functions as well as our ESG presence in the Americas and APAC should position us for growth
- Let me describe our plans in more detail:

- We aim to make our ESG business scalable and trackable, while further strengthening our advisory capacity
- For this we plan investments in our reporting system, training of our people as well as product development
- We intend to share details of our long-term investment plan at our Sustainability Deep Dive in the autumn
- At the centre of our strategy is the support of our clients' transition. We are now focusing on a holistic and continuous dialogue with our corporate and with our private clients
- We aim to further strengthen our risk management and product capacity
- As I already said during our first Sustainability Deep Dive last year: While there is public pressure to terminate certain client relationships, we will first and foremost try to support our clients in accelerating their sustainability transition
- We are convinced that there is huge potential for deepening the relationship with our clients and achieving the net zero target at the same time

<u>Slide 9 – Set to become a significant value driver for the bank</u>

- All of this is expected to lead to tangible volumes and revenue gains
- We have raised our ambition several times in the last 2 years and yes, we are doing it again today: After having facilitated 157 billion euros of sustainable financing and investment from the beginning of 2020 till the end of 2021, we are confident that we can reach 200 billion well before the year end
- And this does not include DWS' ambitions and goals
- From 2023 on we set ourselves an annual target of 100 billion euros of financing and investments as we aim to increase continuously ESG lending and financing, capital markets issuances and investments
- In other words: we plan to have facilitated at least half a trillion euros in financing and investments by 2025
- And while I am a risk manager and thus careful by nature, I must say: For me, this is a rather conservative target
- Conservative because we do not have any assumptions yet for transition financing and any gained market shares in that time

- Let me briefly talk about ESG revenues, given that some of you have started to make assumptions for these
- While we do not publish quarterly ESG revenues, we would like to give you some long-term guidance:
- We are confident that our volume target would translate into ESG revenues of around 1.5 billion euros by 2025, corresponding to an average annual growth of above 20%
- We are often asked if these ESG revenues are substituting traditional banking revenues. While we assume that this will partially be the case, it is now about gaining as much market share as possible in this transformation
- And we have already been very successful in doing so, we have already doubled our market share in ESG debt since 2019, according to Dealogic

Slide 10 – Leveraging technology to create value for our clients

- This brings me to technology which is advancing at a rapid pace – and we need to gear up, too
- We see here 3 levers:
- First, it's about using technology to create value for our clients. AI, machine learning and data will be a game changer in banking. We expect them to enable us to get closer to our clients, be in constant dialogue, increase the click-through-rates and conversion on our platforms– and thus foster growth
- Here's just one example: In Wealth Management we use algorithms to continuously optimise our clients' portfolios. These algorithms monitor risks, issue regular recommendations and learn from the reactions to these
- We are exploring similar next generation technology in all businesses to apply our expertise to the value chains of our clients, better understand their journeys and develop new products and business models for them
- One example where we see significant potential is our Autobahn platform. Another one is Asset-as-a-Service, which helps clients shift to a pay-per-use model
- Overall, we are working on more than 3 dozen AI and machine learning use cases across the bank, not only to generate revenues, but also to increase operating efficiency – which is the second lever

- James will talk about expected savings later, so let me just give you 2 numbers: our Technology, Data and Innovation function has reduced annual costs by 100 million euros in 2021 by simplifying our technology infrastructure and applications
- And for this year we expect additional annual savings of over 100 million euros
- Going forward we expect to further benefit from moving our operations to the cloud, which makes our partnerships in this field essential
- In 2022 alone, we plan to migrate more than 100 applications to the Google Cloud
- Thirdly, technology is key to further strengthen our controls and ensure stability of the bank. Over the last years we have invested 3 billion euros in our controls to improve – among others – our KYC and anti-financial crime systems, again leveraging AI for automated risk detection
- We plan to continue investing here, but at the same time expect to increasingly benefit from reduced costs and higher revenues as improved systems should allow for better client onboarding

Slide 11 – Summary: Strong basis for sustainable growth

- All this provides the foundation for our growth ambitions. So, let me briefly summarise:
- We expect to benefit from underlying industry growth in coming years
- As major themes are expected to reshape markets in an unprecedented way, we believe there will be a renaissance of demand for advice and risk management
- We believe we have the capabilities that our clients need now. Linking that with our growth initiatives puts us in a good position to grow
- We are building on a stable and promising foundation with a balanced business model, prudent risk management and a strong balance sheet
- And finally, we have a proven management team, most of which has gone through the entire transformation together. This continuity was the big plus in the last 3 years compared to previous years – and we believe it will remain so
- We know the bank, we know the processes, we know the clients – and we have a clear agenda

- In a people's business like ours this kind of continuity counts far more than many think. It is nothing else than an invaluable asset

Slide 12 – Set to deliver continued profitable growth

- We set ourselves ambitious targets in 2019, and the strong foundation we have built in connection with the global trends gives us reason to be ambitious again
- We aim for an average annual revenue growth of 3.5 to 4.5%
- We are fully committed to remaining disciplined on costs to free up capacity for investments and improving our operational leverage
- We expect this to push our cost/income ratio below 62.5% by 2025 while at the same time generating an attractive return on tangible equity above 10%
- We will continue to focus on conduct and controls and follow a clear management agenda to change the way we work, to become even more innovative and to remain an employer of choice. More on this later

Slide 13 – Revenues: Objective to reach ~€ 30bn by 2025

- Let's look a bit closer into the individual targets
- Starting with revenues. Our aspiration to reach 30 billion euros by 2025 is based on the following expectations:
- Taking last year's revenues of 25.4 billion as a baseline, we expect that volume growth will increase our revenues by 2 to 2.5 billion euros by 2025
- Strategic initiatives, for instance investments into new products or new markets that offer high capital returns should contribute another 1.5 to 2 billion euros
- Let me give you some examples:
- First, we changed the approach how we cover clients, fully focusing on their needs and collaborating increasingly across divisions
- Then there are new pricing models, especially in the Corporate Bank, as well as the expansion of our ESG activities in all areas
- And we are still winning clients thanks to our better ratings and improved client onboarding

- Add to this a more constructive interest rate environment in the Private and in the Corporate Bank where headwinds are expected to fade even under constant market rates. And in the case of rising interest rates, the benefits will further grow. We expect additional net interest income of around 1.5 billion euros by 2025
- To anticipate your questions, these expectations are based on the yield curves of February 11th. But our latest interest rate snapshot on February 28th confirmed our numbers

Slide 14 – Stable cost base supporting higher revenues

- While we expect our revenues to grow, we see plenty of potential for further efficiencies and costs saving that can take us to the cost/income ratio of less than 62.5%. Let's run through that briefly:
- Starting at last year's total noninterest expenses of 21.5 billion euros, we can deduct 2.7 billion euros in transformation costs, bank levies and CRU costs that will be gone by 2025. They simply fall away
- On top of that, we expect additional operational efficiencies worth 2 billion euros to be realised by 2025. On the next slide I will talk to this in more detail
- Unlike in the past we aim to use these savings to reinvest in our business and to meet our growth targets, but with enhanced operating leverage
- In other words: Just as we were able to self-fund the radical transformation of our bank in the last years, we are now committed to self-fund the investments supporting our growth strategy
- By keeping costs essentially flat and reinvesting capital accrued, we hope to trigger significant enhanced leverage and higher profitability

Slide 15 – Targeted initiatives to drive operational efficiencies

- We are determined to work on leveraging efficiencies with the same rigour as we did in previous years, with clear programmes, clear accountability, and clear milestones
- We have been focused on building credibility on costs since the start of our transformation and we will continue to perform on this item
- We expect additional efficiencies worth 2 billion euros, but there is scope to do more if circumstances require it

- James will explain this in more detail later. But just to give you the main drivers:
- We expect further optimisation in our franchise in Germany, including further integration of our retail network and our payment platforms as well as efficiencies in operations
- As mentioned before, modernisation of our tech architecture will have a significant impact
- Additionally, we see further optimisation potential in our front-to-back processes and in our infrastructure and control functions

Slide 16 – Disciplined resource allocation driving profitability

- To reiterate: We are expecting to leverage efficiencies to free up capital to reinvest in those areas where it can serve the needs of our clients and generate attractive returns
- We are convinced that we have found a robust business mix. That being said, of course we are always looking for opportunities to increase profitability in the Corporate Bank and the Private Bank
- We have demonstrated with the CRU that we can manage capital efficiently. We are fully determined to apply the same discipline going forward, following a strict resource allocation framework
- Under this framework, our individual business units face strict hurdles to ensure their plans are attractive from a strategic and financial perspective
- And areas that do not meet these hurdles in the long-term will be reduced or exited over time
- I emphasise "long-term", because our focus is not on maximising near-term, but on superior medium and long-term returns, enabled by a strong and trust-based client relationship
- We have identified a number of capital-light businesses where we do see further growth opportunities and compelling Returns on Tangible Equity. Here we aim to use additional resources to increase RWAs and invest in technology and people, including strengthening our client coverage
- These areas include several payment-related business lines in the Corporate Bank, but also M&A advisory and our business with affluent, entrepreneur and high net worth clients in the Private Bank as well as our capital light Asset Management

Slide 17 – Material tangible equity increase envisaged

- One of the things that excite me most is the prospect of strengthening our ability to generate and distribute capital
- Thanks to the expected increase in profitability, we should be able to organically grow our tangible equity – funded by retained earnings
- If we increase our return on tangible equity by 2025 as targeted, we expect to create additional capital at scale
- Of this we plan to distribute about 8 billion euros to shareholders for the years 2021 to 2025 and use the remainder to support our clients' activities and our revenue targets

Slide 18 – CB: Grow with differentiated Global Hausbank client proposition

- Let's have a look at our ambitions in the individual businesses now
- Obviously, the Corporate Bank is a crucial factor for our future proposition. Our global network across 151 countries and our comprehensive product suite makes us the real "first call" partner for global multinational corporates
- We want to remain the trusted partner for the German economy and build on our strong, long-term relationships as the number 1 Corporate Bank in our home market
- We also are committed to connect financial institutions worldwide, a business where we are one of the market leaders
- We see many levers for growth in the Corporate Bank:
- Expanding cash management and payments, growing fee based institutional business and expanding lending volumes in RoTE accretive businesses are 3 of them
- Helping corporates in their transition to a sustainable economy is another one. Further developing our ESG offerings will be an integral part of our approach, building on our tradition on innovations for corporate clients
- In addition, we expect KYC expenses to normalise and see further process automation ahead
- Consequently, we aim for a 55 to 60% cost/income ratio, based on 6 to 7% annual revenue growth till 2025. It is important to note that up to 3% of that growth will be driven by a more favourable interest environment

Slide 19 – Investment Bank: Consistent strategy delivery and targeted growth initiatives

- Our Investment Bank will also be crucial to navigate clients through rapidly evolving and increasingly volatile markets
- Our clients will need access to capital markets, expert advisory service and research as well as sophisticated protection against the impact of interest and exchange rate changes
- As the leading global Investment Bank based in Europe, we believe we are well-equipped to support them: We offer a comprehensive offering across our Origination & Advisory and Fixed Income and Currencies platforms
- And the fact that clients are returning business to us, shows the important role we have to play
- We see ourselves in a strong position to consolidate our leading market position in Fixed Income and Currencies where we are the joint number 1 in EMEA and number 2 in APAC, according to Coalition. This provides the basis to grow further at very low marginal costs
- We aim to build on our strong position in our Origination & Advisory business. Last year we returned to market leadership in our German home market, and we are top 3 in Debt Origination in EMEA, according to Dealogic
- We are optimistic about our growth potential and plan targeted investments, for example in M&A, financing or risk solutions
- And in our financing business we are ranked in the top 3 globally, as Coalition data shows
- With ongoing optimisation in technology and our front-to-back processes we also plan to reduce our costs further
- We expect our Investment Bank to achieve a cost/income ratio between 55 and 60% and see potential to grow revenues by 1 and 2% annually

Slide 20 – Private Bank: Efficiency in retail, growth in affluent and wealth

- In our Private Bank we expect 4 to 5% revenue growth due to a mix of targeted initiatives, continued market growth and interest rate benefits
- More than 20 million client relationships allow for scale effects, and we aim to further leverage our leading advisory and investment proposition

- We are Germany's leading wealth manager, and with around 550 billion euros in Assets under Management we are the number 1 Private Bank, based in the eurozone
- In Germany we want to build on our leading position across all client segments. We are in the process of finalising the consolidation of our Postbank and Deutsche Bank platforms throughout 2022
- Reflecting the changes in clients' behaviour, we aim to invest in remote advisory capabilities and further transform our presence in our retail business, with plans to reduce the number of branches by about one third by 2025
- We expect our cost/income ratio to decrease to 60 to 65%
- At the same time, we aim to grow both in the high-margin lending businesses and in net inflows to Assets under Management
- In our International Private Bank, we will continue to shift our focus to affluent, entrepreneur and wealth clients
- We can offer comprehensive one-stop solutions for entrepreneurs encompassing their companies and their personal finances. The "Bank for Entrepreneurs" which we plan to roll-out further will foster cross-divisional collaboration and of course cross-selling
- And we see further growth potential in ESG, given the high priority this topic has especially for affluent and wealth clients

Slide 21 – AM: Continuation of strong trajectory with organic and inorganic growth

- In Asset Management, we plan to build on our strong trajectory
- DWS is the number 1 retail fund manager in Germany, and a top 3 European ETF provider
- In the fast-growing ESG ETF business we are number 4 globally. And we will continue to invest in this field
- We plan to capitalise on our strengths in Passive and Alternatives to build the best foundation for our clients' future
- We aim for overall net inflows of roughly 4 % per year, paving the way to be Europe's leading asset manager with global reach
- As we always said, we are also open to inorganic growth. However, acquisitions need to be complementary to our existing strengths or help us to extend our distribution network and our geographical footprint

- And we plan to further reduce our cost/income ratio to below 60%

Slide 22 – Further enhance risk management and controls

- When I talk about growth opportunities in our business, it is important to remember that this growth must not be an end in itself
- Culture and conduct are key to achieve sustainable profitability
- During our transformation, the whole management team has been very attentive to ensure that we operate within the framework set by laws, regulatory requirements and our own policies
- We will not let up on this issue and aim to invest further in making our controls more robust, efficient and secure
- 3 points are particularly important to us:
- First, we aim to further strengthen our strong risk culture, based on enhanced frameworks, including for non-financial risks and for ESG-related risks. This implies being vigilant on emerging risks. One field to which we pay particular attention here is cyber security
- Secondly, we want to build on the substantial improvements made in our controls, shifting more and more to preventive risk evaluation models with clear front-to-back accountability
- And as mentioned earlier, we plan to continue investing in next-gen technologies and our core control platforms to improve risk measurement and detection. This should also help us to implement new regulation even more effectively

Slide 23 – Transforming the way we work

- I've now led you through our ambitions and our strategy for the years to come
- While our strategy update is an evolution of what we did well before, we will think more revolutionary when it comes to the way we further evolve our organization around 2 of our most important assets: our clients and our employees
- Leadership is at the heart of this. We want our leaders to role-model a mindset that is solution oriented and focused on long-term goals
- And we want every employee to constantly think about how they can create value for our clients and thereby make Deutsche Bank a truly client-led organization - in line with our Global Hausbank aspiration

- That is important not only for our business divisions, but also for each of our infrastructure functions
- To support this, we continue to improve our coverage model for individual client groups and foster collaboration between our divisions to further strengthen cross-sell
- We will revise our incentive system to emphasize our client focus and cross-selling aspiration
- And we will continue to work on a common set of data for our coverage teams, including one CRM system
- Living up to our aspiration also requires a simpler and leaner organisation:
- We want to increase speed, with less complex structures, leaner hierarchies and agile teams across the bank
- It is our ambition to shift decision-making authority more to individuals and reduce dependence on collective committees. In other words: We want to empower our people
- We will work on a new meeting culture - "fewer, smaller, shorter". We're determined to free up time our employees can use more productively, especially for their clients
- With a targeted workforce structure, we want to ensure our people are paid according to their skills. We continue our focus on job levelling to create 100% transparency on the roles and we expect this to create further savings by 2025
- And finally, we will focus on talent & growth. In an environment where jobs are changing, our people´s skills are the currency of the future
- We can only serve our clients well if we have a diverse talent pool and leading experts for all relevant fields. We therefore plan to invest in our people to remain best in class
- Future also means to discuss the future of work beyond implementation of our hybrid working model. More flexibility does not only allow our people to decide where they are most productive but also lead to significant real estate savings
- We aim to make Deutsche Bank a workplace that promotes teamwork, creativity and inventiveness. We want to create room for growth for our employees and our clients

- These changes will make our organisation more nimble and adaptable - capable of adjusting to a changing environment and capturing growth opportunities that present themselves to us

Slide 24 – Financial targets and capital objectives

- This innovative and agile mindset is the final ingredient we need for success, next to our focused strategy, our strong and balanced businesses and our positioning as Global Hausbank
- This line-up gives us all confidence to achieve our ambition for 2025
- A 3.5 to 4.5% average revenue growth per year, making us a 30-billion-euro company at the end of the period
- A cost/income ratio below 62.5%
- More than 10% return on tangible equity thanks to operational leverage
- Capital distributions of 8 billion euros to shareholders for the years 2021 to 2025 and a pay-out ratio of 50% from 2025 onward
- And a CET 1 ratio of approximately 13%

Slide 25 – Our path from stabilization to industry leadership

- In the next stage of our journey, we expect to reap the benefits of the previous transformation and deliver sustainable growth. We are leaner now, with a much more focused set-up and a strong competitive position
- We believe that this will allow us to grow market share, increase earnings and generate considerable amounts of capital, thus feeding the virtuous circle again
- However, our ambitions go much further. We are convinced that in the second half of this decade we will be well positioned to play a crucial role in shaping the banking industry in Europe – as the leading Global Hausbank, based in Europe's strongest economy
- In our view, no other bank is as well placed to do this as we are. And we are determined to use this position - for our clients, for our employees and for our shareholders
- With this, let me hand over to James, who will lead you through the financial basis for our 2025 strategy

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