



# Executing on our strategic transformation

November 2021

Deutsche Bank





## 1 Who we are today

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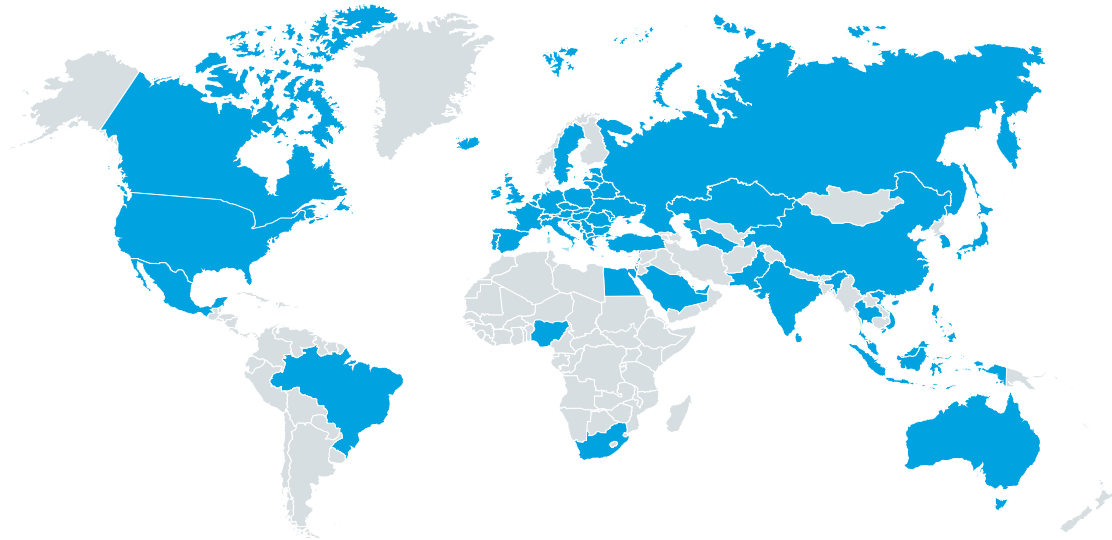
## 2 How we aim to improve returns for our shareholders

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## 3 Appendix

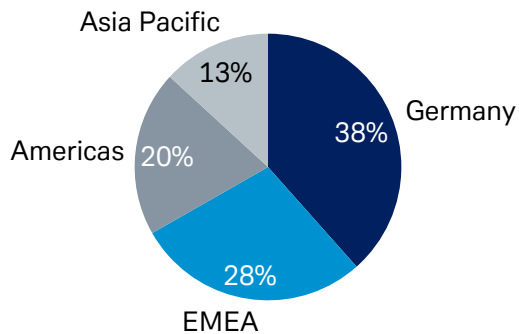
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# A strong German bank with a broad global network

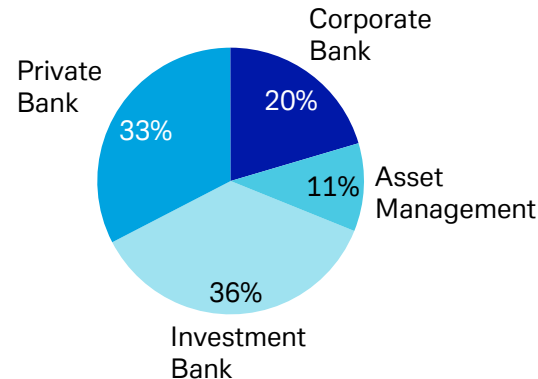


- Presence in 59 countries<sup>(1)</sup>
- Managing over € 1.4tn of wealth for clients<sup>(2,3)</sup>
- #1 Retail and Corporate Bank in Germany
- Global leader in Financing and FX
- #1 Euro clearer

Regional revenue split<sup>(1)</sup>



Business revenue split<sup>(2)</sup>



Note: Throughout this presentation totals may not sum due to rounding differences and percentages may not precisely reflect the absolute figures. Since 2020, the Group applies fair value hedge accounting for portfolio hedges of interest rate risk to hedge account modelled deposits and fixed rate mortgages with pre-payment options under the EU carve out version of IAS 39

(1) As of 31 December 2020

(2) Data as of 30 September 2021

(3) Includes Private Bank and Asset Management

# Continued progress on the path to our strategic ambitions

Q3 2021



## Discipline

- › Executing on existing and new cost saving measures
- › Full focus on delivering control improvements

~€ 8bn

Transformation-related effects recognized<sup>(1)</sup>

## Transformation

- › Progress recognized by rating agencies
- › Continued CRU de-leveraging ahead of plan

Moody's  
& Fitch

Rating upgrades

## Profitability

- › Continued revenue momentum in normalized markets
- › Improved profitability as transformation advances

+15%  
YoY

Profit before tax

(1) Cumulative amount of transformation-related effects recognized since Q2 2019

# YTD performance demonstrates progress towards 2022 financial targets



	9M 2021	9M 2020
Revenues	€ 19.5bn	€ 18.6bn
Adjusted costs ex transformation charges <sup>(1)</sup>	€ 14.4bn	€ 14.9bn
Provision for credit losses	€ 0.3bn	€ 1.5bn
Cost/income ratio	82%	87%
Return on tangible equity <sup>(2)</sup>	5%	0%
Core Bank return on tangible equity	7%	4%

(1) Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance

(2) Throughout this presentation post-tax return on average tangible shareholders' equity (RoTE) is calculated on net income after AT1 coupons

# Well positioned for key structural trends



## Investment Bank

A leading global fixed income and financing business; focused global O&A franchise

### Strategic priorities:

- Client reengagement
- Targeted transformation in FIC

## Private Bank

Leading German retail bank with a focused international advisory bank and global wealth manager

### Strategic priorities:

- Loan volume and investment product growth
- Repricing

## Corporate Bank

Global “Hausbank” in Germany for 150 years with a leading network across 151 countries

### Strategic priorities:

- Focus on Asia Pacific
- Targeted growth investments, incl. payments

## Asset Management

Global Asset Manager with a diversified product range

### Strategic priorities:

- Expand partnerships
- ESG, Alternatives and Passive



# Progress on strategic priorities in core businesses

9M 2021<sup>(1)</sup>



## Corporate Bank

- ✓ Executing on growth strategies, evidenced by strong loan growth and new partnerships
- ✓ € 94bn deposits under charging agreements with Q3 revenues of € 96m

RoTE  
+4ppt

CIR  
-2ppt

## Investment Bank

- ✓ Continued delivery of front to back efficiency via process improvements and FIC re-engineering program
- ✓ 7 consecutive quarters of YoY revenue growth in O&A; consolidation of FIC market share

RoTE  
+3ppt

CIR  
-1ppt

## Private Bank

- ✓ € 38bn net new business across AuM and client loans in 9M, exceeding FY target of over € 30bn
- ✓ Announced sale of DB Financial Advisors in Italy

RoTE  
+5ppt

CIR  
-5ppt

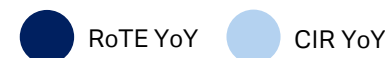
## Asset Management

- ✓ Record AuM at € 880bn driven by strong net inflows of € 12bn in Q3
- ✓ Continued investment in growth initiatives and platform transformation

RoTE  
+8ppt

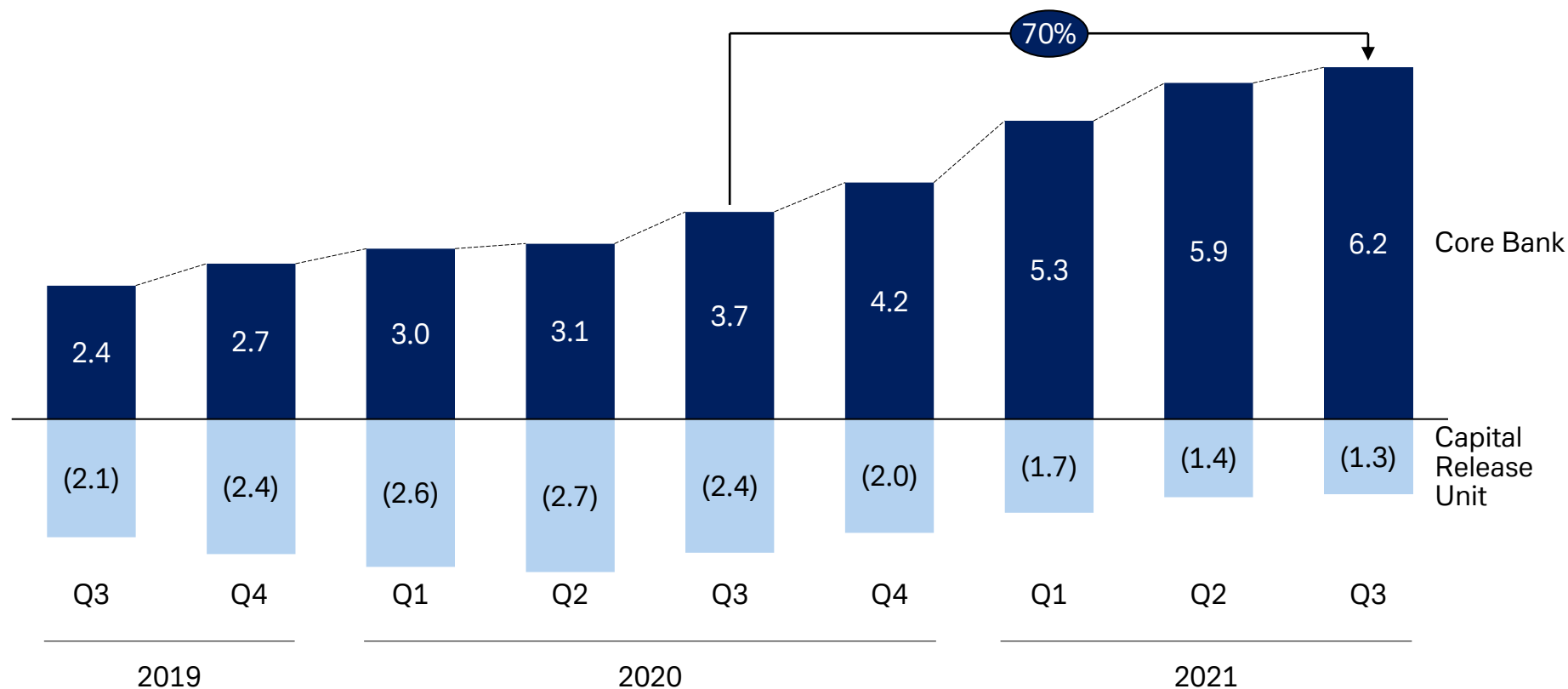
CIR  
-6ppt

(1) Percentage point changes to cost/income ratio (CIR) and RoTE are shown on 9 month basis, i.e. 9M 2021 compared to 9M 2020



# Transformation drives growth and higher profitability

Last 12 months (LTM) adjusted profit (loss) before tax<sup>(1)</sup>, in € bn

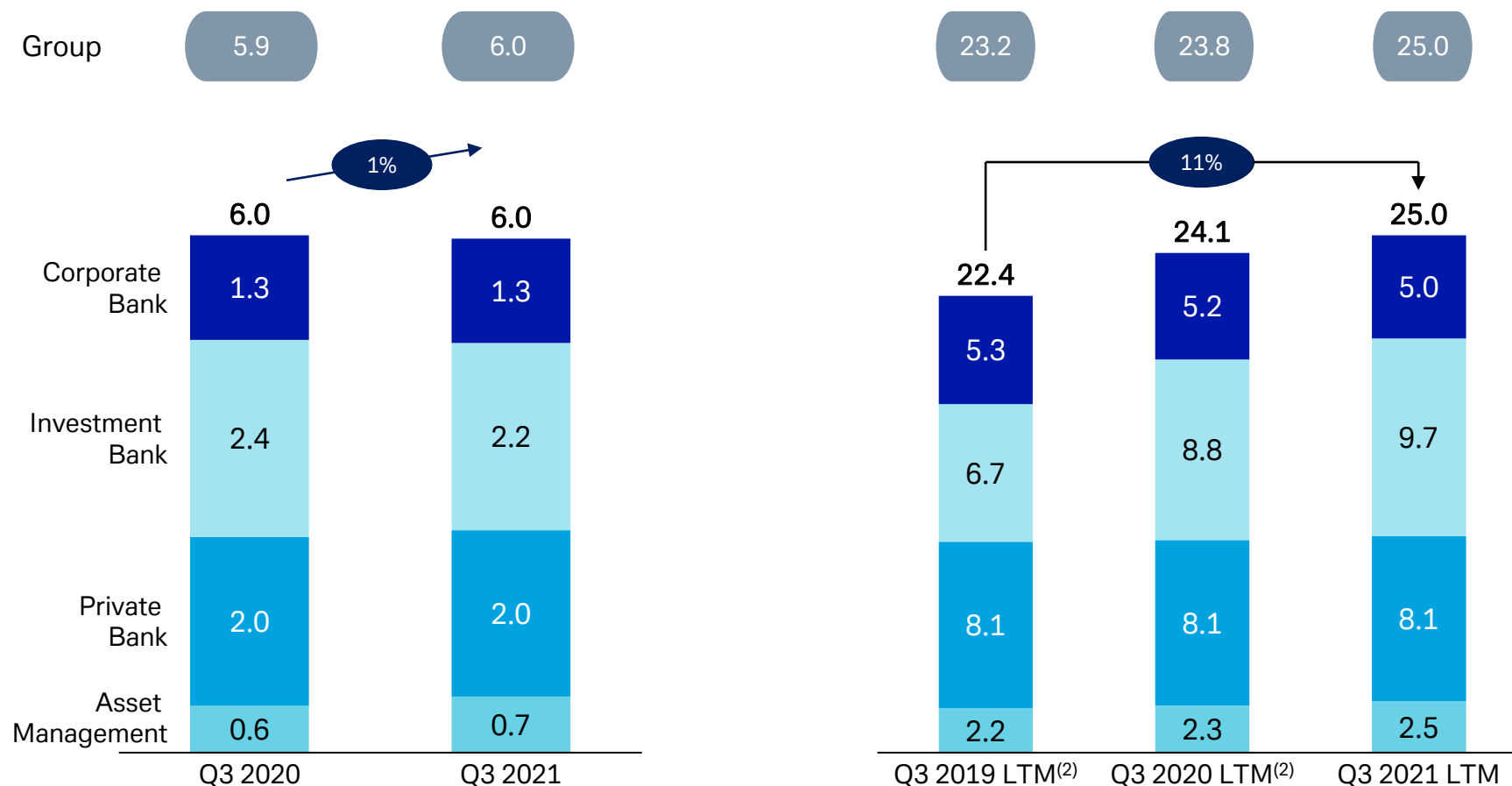


(1) 2018 figures based on reporting structure as disclosed in Annual Report 2019. 2019 figures based on reporting structure as disclosed in Annual Report 2020



# Continued revenue momentum in the Core Bank

Core Bank revenues<sup>(1)</sup> excluding specific items, in € bn

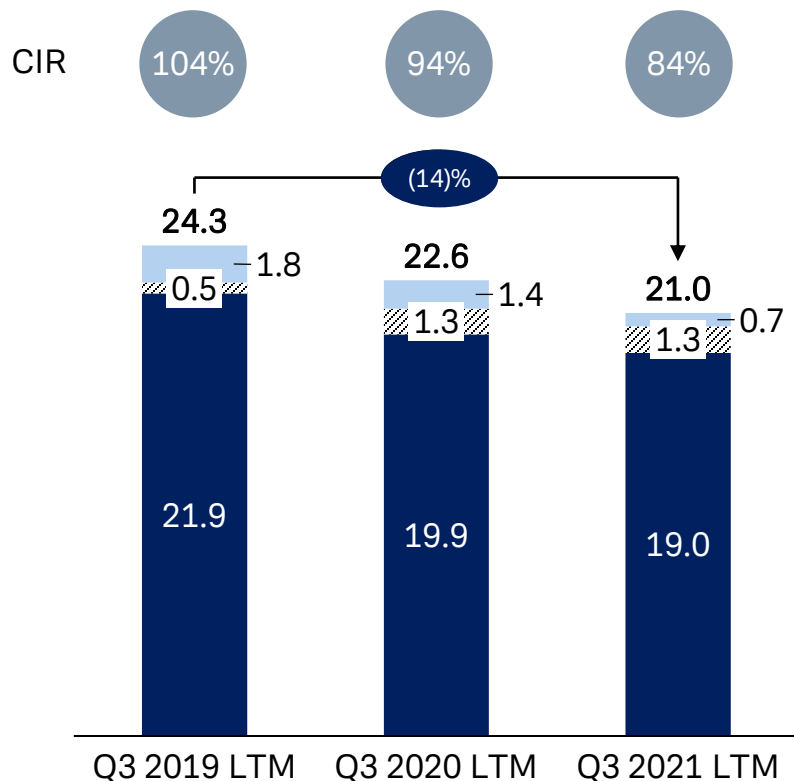


(1) Corporate & Other revenues (Q3 2020: € (243)m, Q3 2021: € (61)m, Q3 2019 LTM: € 95m, Q3 2020 LTM: € (329)m, Q3 2021 LTM: € (302)m) are not shown on these charts but are included in Core Bank totals

(2) 2018 figures based on reporting structure as disclosed in Annual Report 2019. 2019 figures based on reporting structure as disclosed in Annual Report 2020

# Ongoing commitment to cost discipline

Last 12 months (LTM) noninterest expenses, in € bn



■ Nonoperating costs<sup>(3)</sup>

▨ Transformation charges & Prime Finance<sup>(2)</sup>

■ Adjusted costs ex transformation charges & Prime Finance<sup>(2)</sup>



90%

Estimated total transformation-related effects recognized

~€ 700m

Additional transformation-related effects to drive further cost savings

70%

Reaffirmed cost/income ratio target for 2022

(1) Nonoperating costs include impairment of goodwill and intangibles, litigation, and restructuring and severance

(2) Expenses eligible for reimbursement related to Prime Finance



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---

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3 Appendix

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# Continued strategy execution drives transformation by 2022

▶ Material improvement in Core Bank profitability and returns

▶ Businesses performing at or ahead of their planned jump off points for next year

▶ Transformation initiatives and additional cost saving measures support cost/income ratio target

▶ Transformation-related effects mostly recognized by the end of 2021

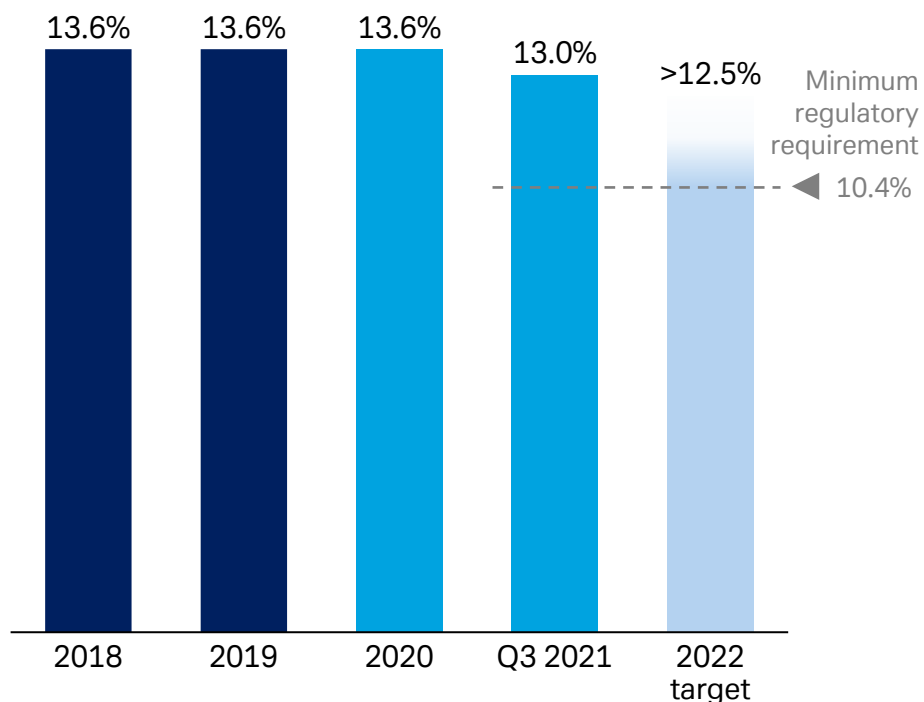
▶ Progress on remediating outstanding regulatory and control items

**Laying the foundation to meet 2022 objectives and positioning for future performance**

# Committed to returning capital to shareholders



## Common Equity Tier 1 (CET1) capital ratio



➤ Committed to maintaining a CET1 ratio above 12.5% through transformation period

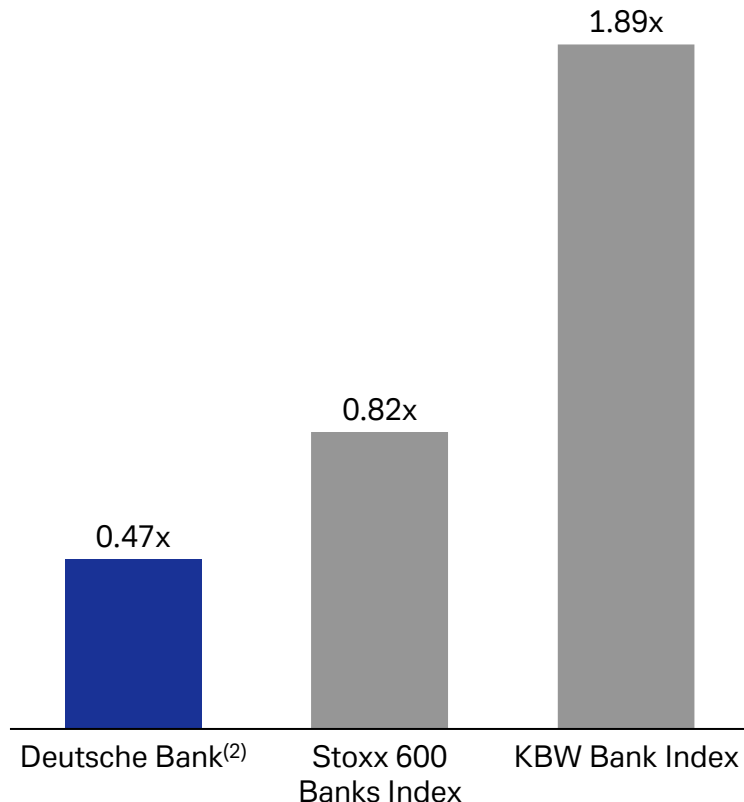
➤ Headroom to support growth in the Core Bank, Capital Release Unit wind down and anticipated regulatory inflation

➤ Remain committed to € 5bn of capital for distribution to shareholders from 2022



# Share price at a discount to tangible book value per share

Price to tangible book multiples as of 01 November 2021



➤ Capital market perception improving

➤ Stock trades well below tangible book value per share at ~47% vs ~82% for European banks (SX7P)<sup>(1)</sup> and ~89% for US banks (BKX)<sup>(1)</sup>

➤ We are on track to our targeted 8% return on tangible equity in 2022

(1) SX7P (Stoxx 600 Banks Index), BKX (KBW Bank Index); Source: Bloomberg

(2) Deutsche Bank share price € 11.30; tangible book value per share € 24.11



Revenue performance developing in line with or better than previous 2022 ambitions

Continued benign credit environment driving further improved CLP outlook

Continued focus on cost discipline to support cost/income ratio target delivery

Working to largely complete recognition of transformation-related effects by the end of year

Positioning for meaningful capital returns to shareholders starting in 2022



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---

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---

3 **Appendix**

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# Financial and regulatory targets for FY 2022



Group post-tax return on average tangible equity

8%

Core Bank post-tax return on average tangible equity

>9%

Cost/income ratio

70%

Common Equity Tier 1 capital ratio

>12.5%

Leverage ratio (fully loaded)

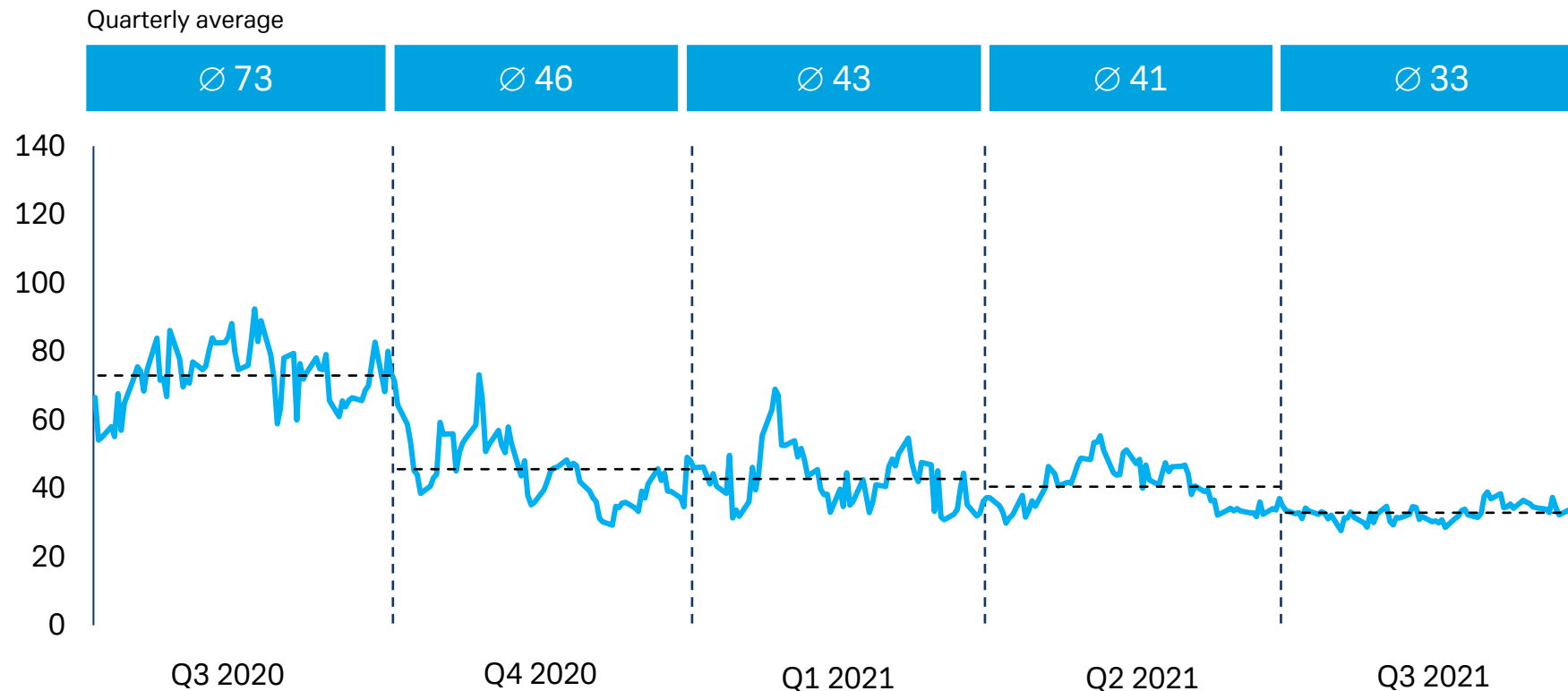
~4.5%

# Trading book Value at Risk (VaR)

DB Group, 99%, 1 day, in €m, unless stated otherwise



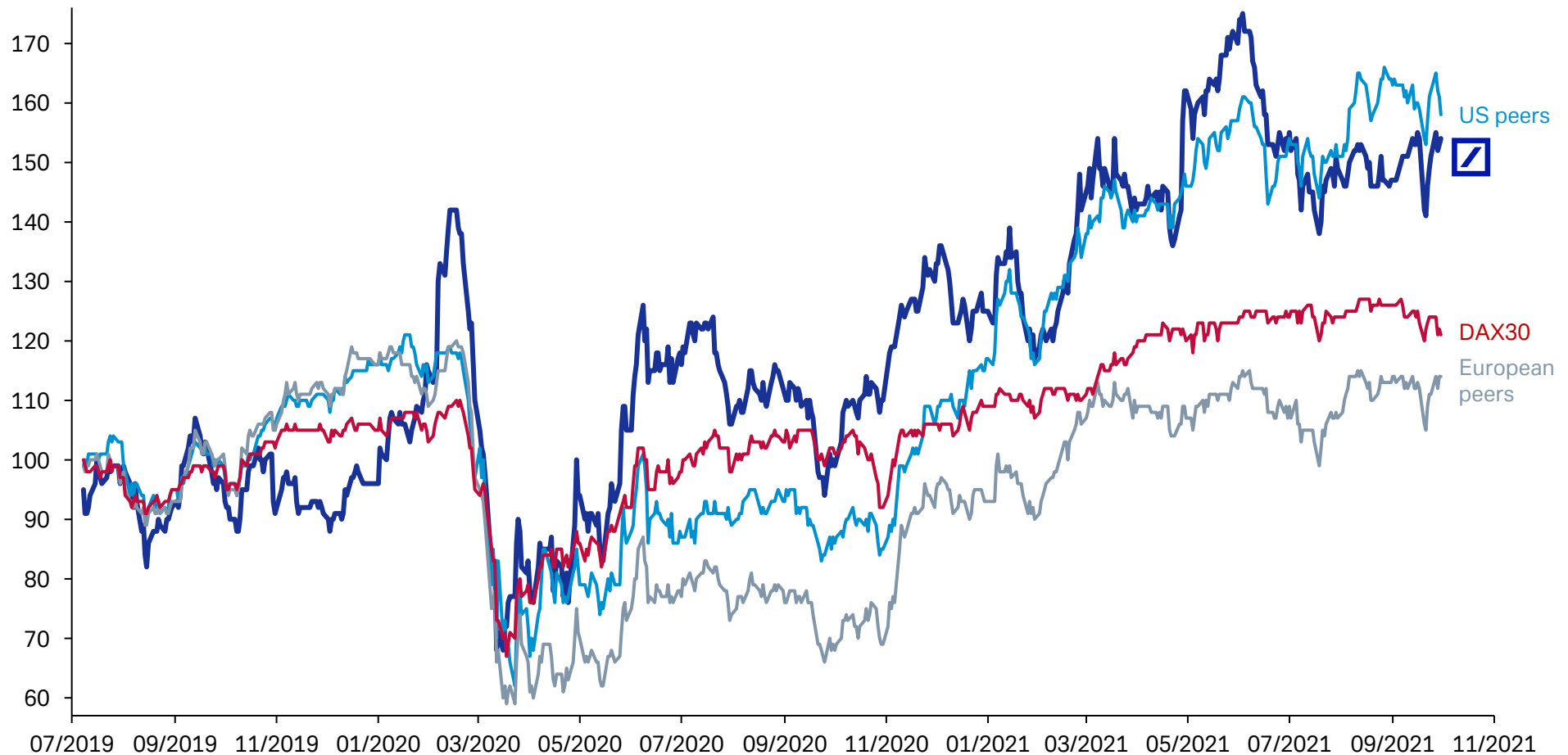
— Historical Simulation VaR



Note: Deutsche Bank received regulatory approval for the Value at Risk model for Risk Management and Capital to transition to Historical Simulation, as of 1 Oct 2020. Prior to Q4 2020 capital calculations were managed using a Monte Carlo VaR model



# Deutsche Bank share price<sup>(1)</sup> since strategy announcement



Source: Bloomberg, US peers: Bank of America, JPMorgan, Citi, Morgan Stanley, Goldman Sachs; European peers: Barclays, Credit Suisse, UBS, BNP, Societe Generale

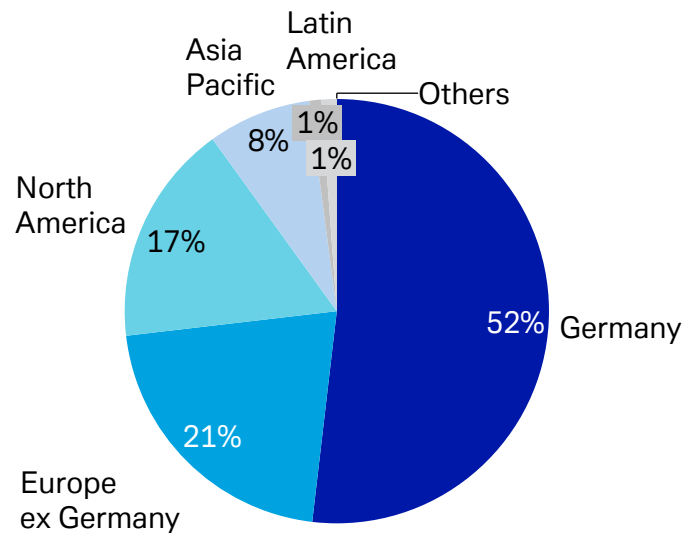
(1) Deutsche Bank share price appreciation/depreciation; since July 8, 2019, relative to Dax as well as to peers, indexed

# Strong credit quality versus peers

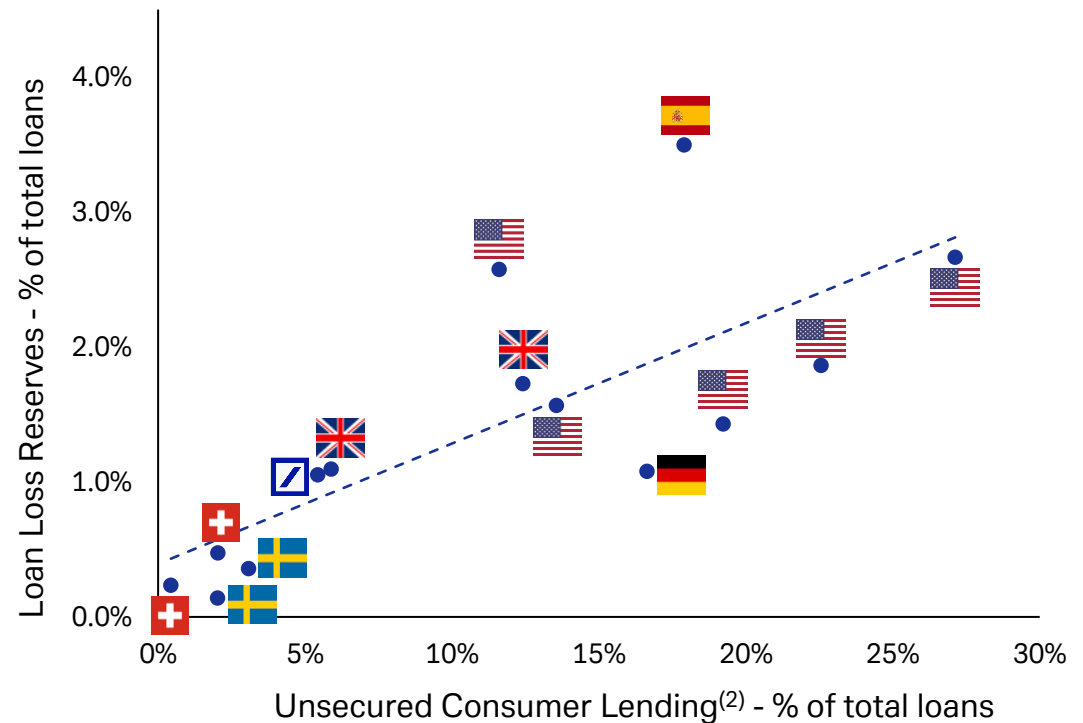
Q3 2021



## Geographical composition of loan book<sup>(1)</sup>



## Strong correlation with share of consumer credit despite strong provisioning by US peers



(1) Loans at amortized cost. Data as of 31 December 2020

(2) Unsecured retail loans defined as retail loans excluding mortgages and excluding loans collateralized by securities

# Sustainability at Deutsche Bank

## Q3 2021 highlights



### Our key focus areas

### Recent achievements



#### Sustainable Finance

- Continued progress in sustainable financing, with cumulative volumes of € 125 bn<sup>(1)</sup>
- Arranged several sovereign green bonds in September, among which:
  - the largest-ever green bond to date for UK Debt Management Office amounting to £ 10bn
  - a € 5bn inaugural green bond for the Kingdom of Spain
  - a green seven-year € 1bn benchmark for the Republic of Serbia
- Executed first green repurchase agreement with a volume of £ 20mn
- Executed first Green Formosa bond (Taiwan) with a volume of \$ 200mn



#### Policies & Commitments

- Performed the initial internal legal review related to bank's obligations under the new German Supply Chain Due Diligence Act (SCDDA)



#### People & Own Operations

- Successfully passed the EcoVadis Sustainable Procurement Maturity Review (addressing 20 subtopics) with overall rating of "Proactive" (second-highest of five maturity gradings)
- Established a glide path to 100% renewable electricity by 2024 via Energy Attribute Certificates



#### Thought Leadership & Stakeholder Engagement

- Provided a vol 1 and vol 2 ESG assessment for all SMID cap German stocks
- Published on key issues with a broad range of topics (e.g. biodiversity, scope 3 emissions, environmental considerations for energy intensive sectors such as chemicals, metals & mining, oil & gas etc.)<sup>(2)</sup>

### We support all the major international standards and guidelines:



- Business and Human Rights
- Responsible Banking
- Sustainable Development Goals
- International Bill of Rights



PARIS2015  
UN CLIMATE CHANGE CONFERENCE  
COP21-CMP11

Paris Pledge for  
Action



EU Transparency  
Register



Core Labor Standards  
of the International  
Labor Organization



Global Reporting  
Initiatives



International  
Finance  
Corporation  
WORLD BANK GROUP



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



Partnership for Carbon  
Accounting Financials

(1) Cumulative sustainable financing volumes as of Q3 2021

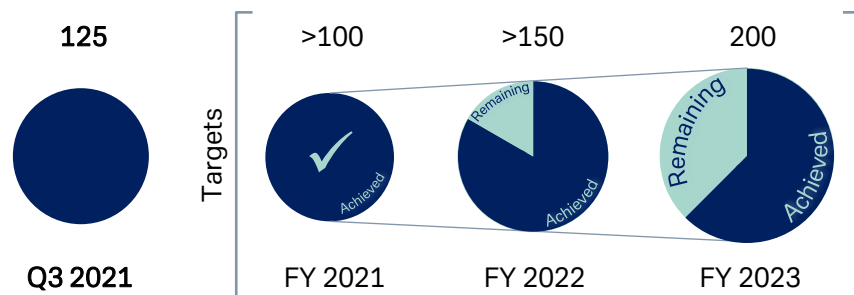
(2) Exemplary publications: [ESG markets review Sept.](#), [Q&A series: Are we at an inflection point in asset mgm ESG fund launches?](#), [Are current cat budgets enough](#), [The elephant in the room](#), [Sustainability tracker](#)

# Significant achievements in sustainable financing

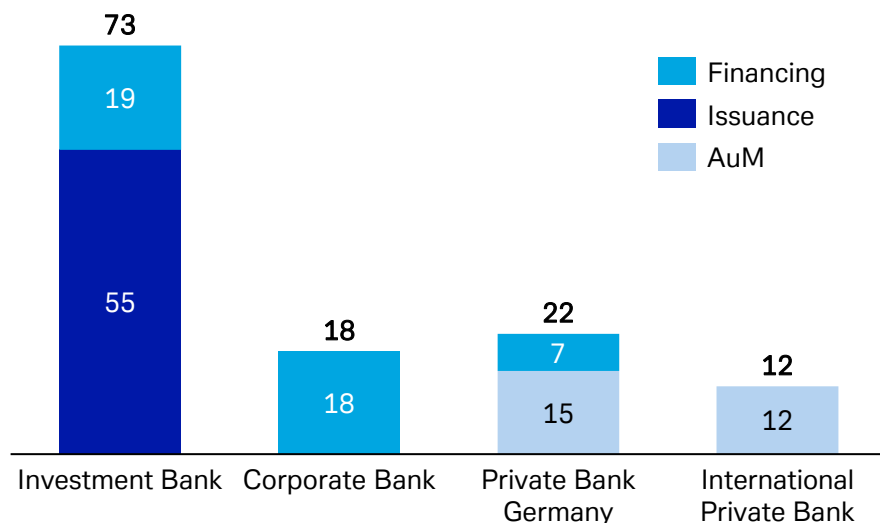
In € bn, cumulative



## Sustainable Finance<sup>(1)</sup> volumes reported vs. targets



## Reported volumes by business and product type



## Key developments in businesses

- Investment Bank**
  - Arranged 48 sustainable bonds across sectors and currencies, totaling ~€ 48bn<sup>(2)</sup>
  - Expanded ESG debt products offering with the first green repo and ESG-linked repo
- Corporate Bank**
  - Continue to expand the offering to German Mittelstand, including sustainability-linked loans
  - Scaling-up ESG related transition dialogue with clients and external stakeholders
- Private Bank Germany**
  - Continuous innovation to provide an ESG alternative for each relevant product category
  - ESG advisory concept rolled out to more than 100 DB branches, exceeding FY 2021 ambition
- International Private Bank**
  - Enhancing product offering via new funds and growing green deposits and lending
  - Thought leadership via expert talks on deep sea, coastlines in crisis and ORRAA engagement

(1) Sustainable financing and investment activities as defined in Deutsche Bank Sustainable Finance Framework, which is published on our [website](#)

(2) Total issuance volumes, reported Sustainable Finance volumes include our bookrunner shares only

# We like to get in touch with you



## Investor Relations contact details

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### Links to key investor presentations:

- **Client and Creditor Overview:**  
[https://investor-relations.db.com/files/documents/creditor-information/Client\\_and\\_Creditor\\_Presentation.pdf](https://investor-relations.db.com/files/documents/creditor-information/Client_and_Creditor_Presentation.pdf)
- **Q3 2021 results presentation (27 October 2021):**  
<https://investor-relations.db.com/reports-and-events/quarterly-results>
- **Investor Deep Dive (09 December 2020):**  
<https://www.db.com/ir/en/other-presentations-and-events.htm>
- **Risk Deep Dive (18 June 2020):**  
[https://www.db.com/ir/de/download/18\\_June\\_2020\\_Risk\\_Deep\\_Dive\\_vFinal1.pdf](https://www.db.com/ir/de/download/18_June_2020_Risk_Deep_Dive_vFinal1.pdf)



# Cautionary statements



This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 12 March 2021 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from [www.db.com/ir](http://www.db.com/ir).

This presentation also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this presentation, refer to the Q3 2021 Financial Data Supplement, which is accompanying this presentation and available at [www.db.com/ir](http://www.db.com/ir).

Results are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union (“EU”), including, from 2020, application of portfolio fair value hedge accounting for non-maturing deposits and fixed rate mortgages with pre-payment options (the “EU carve-out”). Fair value hedge accounting under the EU carve-out is employed to minimise the accounting exposure to both positive and negative moves in interest rates in each tenor bucket thereby reducing the volatility of reported revenue from Treasury activities. For the three-month period ended September 30, 2021, application of the EU carve out had a positive impact of € 45 million on profit before taxes and of € 28 million on profit. For the same time period in 2020 the application of the EU carve out had a negative impact of € 12 million on profit before taxes and of € 9 million on profit. For the nine-month period ended September 30, 2021, application of the EU carve out had a negative impact of € 276 million on profit before taxes and of € 187 million on profit. For the same time period in 2020 the application of the EU carve out had a positive impact of € 65 million on profit before taxes and of € 38 million on profit. The Group’s regulatory capital and ratios thereof are also reported on the basis of the EU carve out version of IAS 39. For the nine-month period ended September 30, 2021, application of the EU carve out had a negative impact on the CET1 capital ratio of about 5 basis points and a positive impact of about 1 basis point for the nine-month period ended September 30, 2020. In any given period, the net effect of the EU carve-out can be positive or negative, depending on the fair market value changes in the positions being hedged and the hedging instruments.